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East Asia

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Japan

Bush's Comment on Russian G-7 Membership Viewed

OW0307043892 Tokyo KYODO in English 0357 GMT 3 Jul 92

[Text] Tokyo, July 3 KYODO—Japan was taken by surprise Friday by a remark from U.S. President George Bush that the Munich summit of seven major industrialized nations would consider making Russia a permanent member. The Group of Seven (G-7) summit is slated to be held next year in Tokyo.

"The Japanese Government did not expect this. We will draw a conclusion after listening to the views of other summit members," Deputy Chief Cabinet Secretary Nobuo Ishihara said. Last week, Chief Cabinet Secretary Koichi Kato said there is no discussion about expanding the economic summit to include leaders of Russia or China, and suggested that Japan does not favor such a move.

Ishihara told reporters that as next year's summit host, Japan's views would weigh heavily on the debate.

Russian President Boris Yeltsin is slated to have a special meeting with the G-7 leaders on July 8 after their summit next week. Current G-7 members are the United States, Japan, Germany, France, Britain, Italy and Canada. Last year's guest invitation to then Soviet President Mikhail Gorbachev sparked discussions here about inviting Chinese leaders to attend in a similar capacity.

A senior Foreign Ministry official, speaking on condition of anonymity, told reporters that Japanese objections would most likely make it impossible for the G-7 members at the Munich Summit to agree to admit Russia.

He said that if there is no territorial settlement by next year, Russian membership would also be an unlikely proposition at the 1993 summit to be hosted by Japan.

The source noted that the G-7 is envisaged as a forum for advanced industrialized countries with similar values, adding that while Russia may be making efforts in that direction, it still has a long way to go.

The source also expressed dismay that Bush's supportive remarks came only a day after the U.S. President met with Miyazawa and assured him that the U.S. would stand fully behind Japan on the territorial question.

The source suggested that the U.S. pursues a double standard toward Europe and toward Asia.

He noted that while it successfully pushed for Russian membership in the International Monetary Fund (IMF), despite Moscow's questionable qualifications, it continues to strenuously oppose IMF membership for Vietnam despite Hanoi's better qualifications. Such arbitrariness is not favorably looked on by Japan, as an Asian nation and as a major contributor of funds to the IMF, he said.

Touching on Yeltsin's recently reported comments that Japan has failed to provide "1 yen or 1 cent" in investment to Russia, the source deemed the remarks "unacceptable."

He noted that Japan has provided Russia with large-scale humanitarian assistance and is its third largest trading partner.

Regarding the condition of ailing Foreign Minister Michio Watanabe, the source said he is recovering well from a recent gallstone operation and should be able to leave the hospital after July 10.

The source said Watanabe is determined to be in full form to tackle the thorny territorial dispute with Russia.

Russian Foreign Minister Andrey Kozyrev is expected in Tokyo around August, prior to a planned visit by Yeltsin in mid-September.

Miyazawa Continues Activities on U.S. Visit

Calls on Quayle To Express Thanks

OW0207143392 Tokyo KYODO in English 1426 GMT 2 Jul 92

[Text] Washington, July 2 KYODO—Japanese Prime Minister Kiichi Miyazawa called on Vice President Dan Quayle on Thursday to express his gratitude for Quayle's trip to Japan in May, a senior Japanese official said.

The thank-you call came on the final day of Miyazawa's three-day official visit to Washington, his first as premier.

A senior Japanese official traveling with Miyazawa also called on the vice president as a gesture of gratitude for Quayle's trip to Japan.

Quayle visited Tokyo May 12-15 to represent the United States in ceremonies marking the 20th anniversary of the reversion of Okinawa to Japan.

The two men chatted over breakfast about politics in the U.S. and Japan, with Quayle congratulating Miyazawa on the recent enactment of a law in Japan to allow Japanese military personnel to take part in U.N. peacekeeping operations, the official said.

Quayle recounted a meeting he had with Russian President Boris Yeltsin in Washington last month and told Miyazawa he also urged the Russians to return the disputed northern territories to Japan, the official said.

President George Bush told Miyazawa in a meeting Wednesday that the U.S. fully supports the Japanese position on the Russo-Japanese territorial dispute and said he urged the Russian leader to return the islands to Japan.

Miyazawa was due to leave Washington Thursday evening en route to London and later to Germany for the annual summit meeting of seven industrial nations to be held next week in Munich.

Addresses National Press Club

OW0207235292 Tokyo KYODO in English 2328 GMT 2 Jul 92

["Text" of speech by Japanese Prime Minister Kiichi Miyazawa at the National Press Club in Washington, D.C., on 2 July]

[Text] Washington, July 2 KYODO—It is a privilege to speak in this tradition-honored club.

I first became involved in Japan-U.S. relations in 1939. As a member of the Japanese delegation to the Japan-America student conference, I came to the United States to discuss the future of Japan-U.S. relations with American students. Flora Lewis, who is dear to you all, is one of the American alumni from those years.

Throughout my experiences in the various chapters of the relationship between our two countries, the free, resilient and well-balanced ethos of American society, especially the American press, has never ceased to impress me. I am sure you agree with me that Flora Lewis is living proof that intellectual curiosity keeps one active, alert and young. If I have managed to remain a young "new leader" in Japanese politics for such a very long time, I owe it largely to the intellectual stimuli that I gained through my exposure to America and my American friends.

With the cold war behind us, we have an historic opportunity to create a more peaceful and more prosperous world where life is better for an ever-greater number of people of this and succeeding generations. The key to our success is international cooperation. Above all, the cooperation between Japan and the United States, which together account for 40 percent of the world's GNP, is of crucial importance.

Recognizing this, President Bush and I announced last January in Tokyo our resolve to pursue the global partnership, in which Japan and the United States will cooperate on a broad range of international issues ranging from political and economic cooperation to scientific probes into the unknown.

In fact, our global partnership is unfolding worldwide, from assistance to the New Independent States (NIS) to our joint endeavors in Central and South America, the Middle East and Africa as well, of course, as in Asia. The most recent case in point is the announcement Japan made in the course of Vice President Quayle's visit to Japan last May.

In close cooperation with American enterprise funds, which are providing 450 million dollars of assistance, we will extend up to 400 million dollars of additional financing to Eastern and Central Europe. Japan's financial support to Eastern and Central Europe since the collapse of the Berlin Wall already exceeds 4.5 billion dollars.

Today I wish to focus on the Asia-Pacific region to illustrate how Japan intends to expand this global partnership with the United States. I do this because I feel that, although the democratization and economic reform in the former Soviet Union and Eastern Europe are now the focus of international attention, momentous changes are also occurring in the Asia-Pacific region.

These changes are often overlooked by the Euro-Atlantic community, but I believe that these changes will play an important part in our search for new international cooperative relationships for the peace and prosperity of the world.

Many countries in the region feel that Japan and the United States are well placed to help them seize the oportunity to bring about more enduring peace and greater prosperity to the region.

The Asia-Pacific region is characterized by its cultural, linguistic, and economic diversity. And yet the economies are closely linked. Drawing strength from this diversity and interdependence, the region has registered phenomenal economic growth in recent years, as exemplified by the Newly Industrialized Economies (NIEs) and the ASEAN countries.

According to a projection, the Asia-Pacific region may develop into a market as large as Europe or North America by around 2015. There is no doubt that the region's economic dynamism will continue to provide strong momentum for the expansion of the world economy in the rest of the century and beyond.

Japan has been actively cooperating with these countries in their nation-building efforts. In fact, half of Japan's ODA [Official Development Assistance] is directed every year toward the developing countries in the region. Not only do we intend to continue such economic cooperation, but we also hope to play a positive role in promoting this region's political stability.

The United States, of course, has been engaged in the Asia-Pacific region since the last century. American involvement has been a central factor for the region's peace and prosperity. The economic ties between the United States and this region are getting ever more important and far-ranging.

U.S. trans-Pacific trade far exceeds its Atlantic trade, and its investment in Asia has also increased substantially in recent years. Given the region's economic potential, they are expected to expand further.

Needless to say, the U.S. presence and engagement remain vitally important for the peace and prosperity of the region. It is broadly perceived in the region that the presence of U.S. Forces serves as a stabilizing factor not only in military terms but also in political terms. It is earnestly desired that the United States will maintain its forward deployment in the region.

The Japan-U.S. security arrangements provide the essential support for this forward deployment. The "Overseas Family Residency Program" in Japan for the crews of 15 U.S. naval vessels including an aircraft carrier greatly facilitates the presence and operation of U.S. Forces in the region. Japan's host nation support amounts to 4 billion dollars in fiscal 1992, and is projected to account for 70 percent of the non-salary cost of U.S. Forces in Japan by fiscal 1995.

I consider such support by Japan to be an essential prerequisite to the continued U.S. commitment to Asian-Pacific security. The Japanese Government will strive further to ensure the smooth operation of its security arrangements with the United States and to enhance the credibility of these arrangements through various means including the further improvement of its host nation support.

Political cooperation between Japan and the United States, based on these economic and security underpinnings, is also a vital component of our partnership in the Asia-Pacific region. It is in this context that we should consider the potential conflicts and disputes which still persist in the region.

Some of these involve military tension, as in the case on the Korean peninsula or in Cambodia. The solution in each of these cases requires a carefully considered approach best suited to the particular circumstances.

On the Korean peninsula, over 1.4 million ground troops remain in a state of confrontation across the 38th parallel. The reduction of this tension is the most pressing task today for the security of the Asia-Pacific region. The North-South dialogue for reconciliation needs to be supported by the close cooperation among the four major powers involved, that is, Japan, the United States, China and Russia.

The trilateral cooperation now under way among Japan, the United States and the Republic of Korea on the question of North Korea's nuclear weapons development signifies the beginning of such multilateral cooperation.

Serious concern persists about North Korea's possible nuclear weapons development. If this should prove to be true, it would be a serious destabilizing factor for the security of East Asia and of the world. North Korea's acceptance of the International Atomic Energy Agency (IAEA) inspection signals some progress.

However, all the concerned parties must work on North Korea to dispel fully the suspicion of the international community. Japan, for its part, is resolved to work to this end by firmly maintaining the position in its normalization talks with North Korea that there can be no normalization of relations with North Korea without a solution to this issue.

The other urgent security issue is Cambodia's peace process. I cannot help but express grave concern over the fact that one Cambodian party of late is impeding the smooth progress of the peace process. The ongoing operation of the United Nations Transitional Authority in Cambodia (UNTAC) is an unprecedented grand undertaking. Its success or failure will be a crucial test case for the United Nations' peacekeeping ability in the post-cold war period.

We must further strengthen our support for the peace process; we must ensure that the cease-fire be maintained, troops be demobilized, and refugees be repatriated, so that Cambodia can promptly start its reconstruction under the new government to be established through the free and fair election to be held next year.

Less than two weeks ago, Japan hosted in Tokyo the Ministerial Conference on Rehabilitation and Reconstruction of Cambodia. With cooperation from the participants, the conference put together a total pledge of 880 million dollars of assistance for the rehabilitation and reconstruction of Cambodia.

In addition, the conference participants, including all the Cambodian parties, reconfirmed the importance of the full and timely implementation of the Paris peace agreement. I earnestly hope that this will favorably affect the peace process. The outstanding role the United States played with Japan in this conference was a telling example of our global partnership.

With the International Peace Cooperation Law enacted, Japan envisages future participation in the UNTAC process through personnel support, thus contributing to the nation-building of postwar Cambodia.

In parallel with these bilateral and subregional approaches to the instabilities in the region, it is also important to build a region-wide framework for political dialogue encompassing a broader spectrum of countries.

I believe that the post-ministerial conference of ASEAN (ASEAN- PMC), at which ASEAN foreign ministers meet their counterparts from the United States, Japan, Australia, New Zealand, Canada, the EC, and the Republic of Korea, may, for now, most usefully serve this purpose. I heartily welcome the decision of the ASEAN summit last January which points in this direction.

The APEC (Asia-Pacific Economic Cooperation) ministerial meeting provides another possible framework for dialogue. APEC was originally intended to promote economic cooperation, but in the Asia-Pacific region, where many of the countries are developing, economic cooperation is an important means to achieve regional stability.

With the participation of China, Hong Kong and Taiwan last year, the 3-year-old APEC now involves almost all major economic entities in the Asia-Pacific region, and its aggregate GNP accounts for roughly half of the world's output.

Japan is resolved to work together with the United States and other participants to invigorate the activities of APEC, which strives for open regional cooperation. We will spare no efforts, as part of the global partnership, to see that the APEC ministerial meeting to take place next year in the United States will be successful and productive.

In sum, I believe that the most effective approach to Asian- Pacific security is a two-track approach, that is, the promotion of subregional cooperation to settle disputes and conflicts and region- wide political dialogue to enhance the sense of mutual reassurance.

The task remains for the future to involve China and Russia in such process of dialogue and cooperation as constructive participants. It goes without saying that the stability and development of China are significant for the peace and prosperity of the Asia-Pacific region. I therefore applaud the decision of the U.S. Government to extend the MFN [most-favored-nation] treatment to China for another year.

China is now at a great historic turning point. We must continue to encourage and support China's vigorous efforts for openness and reform in the economic sphere. In that process, we must also make our concern known to China about its political reform, including its human rights situation.

At the same time, we need to appreciate that, for a country like China with more than one billion people and a low national income, the expansion of its national economy is indispensable for its domestic stability. Economic reforms should pave the way for political reforms.

We must also get China involved in the international efforts for peace. China's participation is particularly necessary in such areas as nuclear nonproliferation, the Missile Technology Control Regime and the control of transfer of conventional weapons.

Russia is, of course, an important neighbor of Japan. It is also vital for Asian-Pacific stability. Improved Russo-Japan relations are naturally essential for the stability of the region. We need to support Russia's efforts at democratization and the introduction of a market economy.

Japan has actively joined the other industrial democracies in assisting the Soviet Union and now the New Independent States (NIS). We have done this in spite of the unlawful occupation of Japan's Northern Territories by the Soviet Union and its successor, Russia. Japan is also stepping up its efforts to expand its dialogue and exchanges with Russia.

Let me be clear, however, that neither Japan nor Russia can hope to press ahead without solving the Northern Territories question. I can easily imagine how the Russian people, who have long been taught that these islands are Soviet territory, may face a strong psychological block in coming to terms with the return of these islands to Japan.

However, for our two countries to act as if the problem did not exist would only complicate the matter further and prolong the state of uncertainty in our relations. It is then necessary, in parallel with providing assistance to Russia, to help the Russian Government and people grasp fully the importance of settling this territorial issue.

This is not merely a bilateral issue between Japan and Russia. Whether Russia will solve this issue in accordance with law and justice as stated by President Yeltsin will test Russia's readiness to shed its Stalinist vestige and become a truly constructive member of the international community, which shares fundamental values with us.

The Government and people of Japan highly appreciate the U.S. Government's firm support for Japan's position on this issue. President Yeltsin's planned visit to Japan this fall will be a very important opportunity towards the settlement of the northern territories issue, and we are seriously stepping up our efforts to prepare for it.

I look forward to further support from the United States, whose cooperative relationship with Russia has been strengthened through President Yeltsin's recent visit to the United States.

Stable growth of the world economy is another important aspect of our global partnership. To secure harmonious economic development for all, our urgent task is to overcome the temptation of protectionism and closed regionalism, and to build more open international trade and economic systems.

Japan's most significant role in world economic management lies in ensuring sustained growth of the Japanese economy without inflation, and against such a background, in achieving a better quality of life for its people.

With the world economy still teetering on its recovery path, I intend to ensure sustained growth of the Japanese economy. For fiscal 1992 I have already compiled a budget with the maximum consideration given to the state of the economy. I have been exerting maximum possible efforts to effect additional expansionary measures including the front-loading of the public works projects.

In case these measures do not bring sufficient effect, I will examine the situation and undertake every possible means including necessary substantial additional fiscal measures, keeping in mind the objectives set out in the new five-year economic plan.

In the mid- to long-term, I consider it important to ensure that the Japanese people can live a rewarding life in keeping with the country's economic strength. If anything, the Japanese economy has tended to be producer-oriented. I believe that we must gradually shift our economy's focus from producers to consumers and to ordinary citizens and their families.

For this purpose, we are endeavoring to shorten working hours, improve social overhead capital such as parks, greenery, and public facilities, so as to create high quality living environment. Our efforts to build an economy in which each individual can relish his or her daily life agrees with what the international community expects of Japan.

These Japanese efforts should make our bilateral economic relations more solid and enduring, the vital aspect of our overall relations. My focus on Asia-Pacific today should in no way be interpreted as a lack of attention to this vital aspect. I am well aware that our two countries are facing tremendous challenges in this area.

Our trade relations require strong political alertness and constant attention from both sides. In order for our global partnership to move forward, however, we cannot afford otherwise. It is exactly for this reason that President Bush and I announced the plan of action on our trade and economic relations last January.

Since then, my government has been working hard with Japanese businesses and industries in various sectors, particularly those mentioned in the plan of action, to increase market access opportunities for foreign products. We are making solid progress. Combined with our macroeconomic efforts as well as with American endeavors to cut budget deficits and enhance competitiveness, this exercise is expected to produce positive results.

Let me here make one point about economic and trade issues. Some people use an analogy of cold-war military confrontation when analyzing international economic relations. They tend to view economic competition as something confrontational or adversarial. They even suggest that one country's economic success is a threat to another.

However, the world economy is not a zero-sum game. It is a positive-sum game, in which all participants can gain. This is so because we are increasingly interdependent economically, and will be all the more so if we maintain and strengthen the open international economic system.

The world is undergoing historical changes. So is America. America has always stood up to challenges of the time, upholding the ideals of its founding fathers. This has been possible because of the country's resiliency, vitality, and creativity; the traits I admire in the American people. I am confident that America, together with the rest of the world, will demonstrate once again its courage and resourcefulness in surmounting today's challenges.

The world needs American leadership. An isolationist America would be everyone's nightmare. The Japan-U.S. global partnership certainly expects the United States to retain its overseas commitment and remain internationally engaged. I assure you that Japan, on its part, will fulfill its roles and responsibilities commensurate with its national strength and international standing.

Thank you.

Comments on G-7 Aid to Russia

OW0207231992 Tokyo KYODO in English 2304 GMT 2 Jul 92

[Text] Washington, July 2 KYODO—Japanese Prime Minister Kiichi Miyazawa said in Washington on Thursday he remains skeptical about an imminent agreement between Russia and the International Monetary Fund (IMF) on releasing 24 billion dollars in aid to Russia.

He said at a news conference that he does not anticipate agreement on Russia's economic reform by the time of a meeting between leaders of the Group of Seven (G-7) major industrialized countries and Russian President Boris Yeltsin in Munich on July 8. The money was promised by the G-7 on condition that Russia reaches agreement with the IMF on economic reforms.

Miyazawa said "it's not really easy" for Russia and the IMF to iron out differences by the time Yeltsin meets leaders of G-7—the United States, Japan, Germany, France, Italy, Britain and Canada. He based the pessimistic assessment of the Russian-IMF talks partly on Japan's consultations with IMF Managing Director Michel Camdessus. Miyazawa said Yeltsin had complained to U.S. President George Bush when he visited Washington in mid-June about the IMF's tough stand on economic reform necessary for receiving the entire 24 billion dollar package.

The prime minister, who will confer with Prime Ministers John Major of Britain and Brian Mulroney of Canada in London this weekend, said Bush's support for Japan's claim to four Russian-held islands was "encouraging." Miyazawa said he now feels confident about unified G-7 support for the Japanese claim to islands off Hokkaido, which the former Soviet Union seized at the end of World War II. In a meeting with Bush on Wednesday, Miyazawa won renewed American support for the Japanese cause, Japanese officials said.

Earlier in the day, Bush hinted at a news conference that Russia could become the eighth member of the G-7 club. Bush said he is prepared to discuss the issue of Russian membership in the G-7 group at the Munich summit to which Yeltsin has been invited for a postsummit meeting. Miyazawa, however, said at his news conference in a Washington hotel that he had not heard about suggestions for expanding the G-7 to a G-8 with Russia as its new member.

Commenting on the U.S. Federal Reserve Board's action to lower the official discount rate by 0.5 percentage point to 3.0 percent, Miyazawa said it would contribute to world economic growth.

Says Territorial Dispute Multilateral

OW0307034592 Tokyo KYODO in English 0317 GMT 3 Jul 92

[Excerpts] Washington, July 2 KYODO—Japanese Prime Minister Kiichi Miyazawa on Thursday showed confidence that he could nurture international support for Japan's territorial claim to four Russian- held islands. Miyazawa told a news conference that the industrialized world is reaching a consensus that the territorial dispute between Japan and Russia is not a bilateral dispute but a multilateral one between Russia and all the advanced countries.

Miyazawa said he believes there is "a unified view" on the matter among leaders of the world's industrialized countries. There still remain one or two leaders of the Group of Seven (G-7) forum to whom he wishes to appeal for support for Japan's argument seeking the return of the islands, however, he said. Miyazawa is scheduled to meet with leaders of Britain, Canada and Italy in London before going to Munich to attend the upcoming annual summit. [passage omitted]

The prime minister told the 25-minute news conference at a Washington hotel that U.S. President George Bush's support for Japan's claim is "encouraging." In a meeting with Bush on Wednesday, Miyazawa won renewed American support for the Japanese cause, Japanese officials said. Miyazawa said that Bush has advised Yeltsin to settle the dispute, noting Bush's comment that a territorial resolution would be beneficial to Russia. [passage omitted]

Leaves Washington for Britain

OW0307013292 Tokyo KYODO in English 0117 GMT 3 Jul 92

[Text] Washington, July 3 KYODO—Japanese Prime Minister Kiichi Miyazawa left Washington for London on Thursday [2 July] on the second leg of an 11-day tour which will later take him to Germany to attend a summit meeting of the Group of Seven (G-7) major industrial economies.

In London, Miyazawa will confer with Jacques Delors, president of the European Community (EC) Commission, British Prime Minister John Major and Canadian Prime Minister Brian Mulroney. He will arrive in Munich on Sunday to attend the three-day summit meeting that will begin the following day.

In Washington, Miyazawa met with President George Bush in an effort to coordinate their summit strategies. Miyazawa will return home July 10.

Prime Minister Miyazawa Arrives in London 3 Jul

OW0307090392 Tokyo KYODO in English 0853 GMT 3 Jul 92

[Text] London, July 3 (KYODO)—Japanese Prime Minister Kiichi Miyazawa arrived in London from Washington on Friday on the second leg of an 11-day tour that will take him to a major economic summit in Germany.

In London, Miyazawa is scheduled to confer with Jacques Delors, president of the European Community Commission, British Prime Minister John Major, and Canadian Prime Minister Brian Mulroney.

He is to go to Munich on Sunday for the three-day summit of seven major industrial nations starting the next day.

In Washington, Miyazawa met with President George Bush in an effort to coordinate their summit strategies.

Miyazawa will return home July 10.

Miyazawa Interviewed on EC Integration, Trade

OW0307003592 Tokyo KYODO in English 2322 GMT 2 Jul 92

[Text] Tokyo, July 3 KYODO—Prime Minister Kiichi Miyazawa doubts the process of economic integration in Europe will lead to a "fortress Europe" closed to imports from outside the region, according to an advance copy of an interview the Japanese leader had with a French journal.

Miyazawa, in an interview with POLITIQUE INTERNATIONALE to be published in its July 7 edition, said, "I do not believe at all that Europe will transform itself into a fortress."

He said he based that belief on the premise that, in current times, relations of interdependence among the diverse members of the international community have become an "irresistible and irreversible" fact due to the advancement of telecommunications and transport mechanisms.

Miyazawa said Japan welcomes the European Community's economic integration as a positive factor, adding that a strong Europe and improved Japan-Europe-U.S. trilateral ties would facilitate stability and development of the global economy.

In the interview, which took place in late May, Miyazawa denied that Japan would go along with the formation of any Asian economic grouping if it was not open to the rest of the world in orientation.

He said Japan continues to place importance on the 15-member Asia-Pacific Economic Cooperation (APEC) forum. APEC, formed in 1989 as a regional forum to promote economic and trade cooperation and not a trading bloc, is transforming itself from a loose consultative forum into an organization, having its own proper, but concise, secretariat and funding channel, he said.

The group initially comprised Australia, New Zealand, the United States, Canada, Japan and South Korea as well as the six members of the Association of Southeast Asian Nations (ASEAN)—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Malaysia. China, Hong Kong and Taiwan joined the group last year, raising the membership to 15.

Ministry: Russia Experiencing 'Difficult Period'

OW0507024692 Tokyo KYODO in English 0149 GMT 5 Jul 92

[Text] Munich, July 5 KYODO—Leaders of the world's seven major economic powers open their annual summit in Munich on Monday aiming to help forge a post-cold war international order amid signs of economic slowdown in their countries and ethnic conflicts in eastern Europe.

The focus of the Munich summit, the 18th in a series, is financial and technological aid to Russia and other new independent states of the former Soviet Union, according to officials involved in preparations for the summit.

But the leaders from the United States, Japan, Germany, France, Italy, Britain, and Canada are unlikely to reach any specific agreement on massive aid to Russia because of a lack of funds and Japan's reluctance to provide massive financial assistance without a Russian commitment to return four disputed islands.

Japanese Foreign Ministry officials said Russia appears to be going through a difficult period, having asked Japan to put off a scheduled meeting in June of the working group on a Japanese-Russian peace treaty at least until mid-July.

Prime Minister Kiichi Miyazawa, making his debut at the annual Group of Seven (G-7) summit meeting as head of the Japanese Government, will "clearly state" the longstanding Japanese policy at the Munich summit and a postsummit session with Russian President Boris Yeltsin, his personal representative Koichiro Matsuura said.

But Matsuura maintained at a recent news conference in Tokyo that the safety of nuclear power plants and other issues surrounding the former Soviet republics are "global problems" that entail close attention from the international community.

Matsuura, who is the deputy foreign minister for economic affairs, said the Munich summit from Monday through Wednesday is "the first post-cold war summit," following the demise of the Soviet Union.

Officials of the seven major powers said the G-7 leaders will agree on a set of emergency measures to overhaul or shut down 25 of the 57 Soviet-made nuclear reactors in the Commonwealth of Independent States and eastern Europe.

G-7 countries have agreed to provide 24 billion dollars in aid for Russia, but the program has yet to be implemented pending the conclusion of economic reform talks between Russia and the international monetary fund.

Japan has withheld large-scale aid to Russia due to the decades-long dispute over four Russian-held islands off northern Japan, which the Soviet Red Army seized at the end of World War II.

Prime Minister Miyazawa sought G-7 support for the Japanese campaign for the return of the islands during his trip to France and Germany this spring and in his presummit talks with leaders of the U.S., Britain, Canada and Italy.

He characterized the continued Russian occupation of the islands—Kunashiri, Etorofu, Shikotan, and the Habomai group of islets—as "a legacy of Stalinism."

Matsuura speculated that Yeltsin's visit to Tokyo in September would be "the key" to the future direction of bilateral relations.

Miyazawa will also bring with him to Munich a fresh pump-priming package designed to buoy the sagging Japanese economy and help reduce Japan's external surplus with the rest of the world.

Also on his own summit agenda, aides said, are Japanese efforts to help bring about peace in Cambodia and to pressure North Korea to comply with inter-Korean inspections of their nuclear facilities.

The summit will be held at the residenz, the seat of the Bavarian kings in the heart of Munich. The president of the European Community (EC) commission, Jacques Delors, will also attend the session.

Immediately after the EC summit in Lisbon on June 26 and 27, French President Francois Mitterrand made a surprise visit to Sarajevo in the embattled Bosnia-Hercegovina in search of peace in what was once Yugoslavia.

The EC, facing a crisis of its own stemming from Denmark's rejection of the Maastricht Treaty on European unification, has been preoccupied with events in central and eastern Europe, including the eventual breakup of Czechoslovakia.

U.S. President George Bush comes to Munich after visiting Poland. U.S. presidential election analysts see Bush's trip to Warsaw as a ploy to woo Polish-American voters in his reelection bid, which has been threatened by undeclared presidential candidate Ross Perot.

Italy will send its new prime minister, Giuliano Amato, to the summit after going through two months of political turmoil.

Tokyo Concerned Over Russian Debt Delay Request

OW0507040292 Tokyo KYODO in English 0354 GMT 5 Jul 92

[Text] Tokyo, July 5 KYODO—A Ministry of Finance official expressed concern Sunday over Russia's proposal for a minimum two-year freeze on repayment of the former Soviet Union's 68 billion dollars in foreign debt.

"The plan would do harm to the discussion at the Munich summit of seven major industrial nations on economic aid to Russia," said a MOF official who requested anonymity.

"Although Western nations pledged 24 billion dollars in assistance to Russia, criticism will arise (among them) on offering the aid if the nation defers debt repayment for more than two years," he said.

Russian President Boris Yeltsin said Saturday he will ask the Group of Seven (G-7) nations next week for a minimum two-year suspension of its foreign debt repayments.

"(Yeltsin's) statement is a dangerous bet that will not necessarily benefit Russia," the MOF official warned.

Meanwhile, a Ministry of International Trade and Industry (MITI) official said Yeltsin's refusal to comply with terms for economic assistance set by the International Monetary Fund (IMF) was a "political bluff."

Yeltsin said Saturday that Russia was prepared to forego the 24 billion dollar aid package rather than accept the IMF's demand that it liberalize domestic energy prices.

"The president well knows the major industrial nations are most fearful of a setback in Russia's economic reform and they will have to eventually give financial support to Russia," the MITI official said.

"He was apparently afraid of losing support from his people if inflation accelerates further following the liberalization of energy prices," he added.

The IMF is asking Russia to lift controls on oil prices in order to reduce domestic consumption of oil and boost exports that would earn foreign currency.

Russia exempted oil, coal and natural gas from price liberalization along with some daily necessities, including food, when it took measures in January to move toward a market economy.

Russian energy prices are far below those in the international market and analysts believe their liberalization would likely impose a heavy burden on the country's industries and people.

SDP, USDP Agree To Form Unified Diet Group

OW0307105092 Tokyo KYODO in English 1038 GMT 3 Jul 92

[Text] Tokyo, July 3 (KYODO)—The largest opposition Social Democratic Party (SDP) and the minor opposition United Social Democratic Party (USDP) agreed Friday to form a unified group in the Diet after the July 28 House of Councillors election, party officials said.

SDP Chairman Makoto Tanabe and USDP Representative Satsuki Eda reached the agreement to aim at promoting the merger of social democratic forces, the officials said.

The USDP forms the five-member parliamentary group Shinminren in the House of Representatives with the Progressive Party, which has one lawmaker.

A top SDP official said the party hopes to form a unified group in the Diet, including the Democratic Socialist Party (DSP) and Rengo Sangiin, an affiliate of the Japanese Trade Union Confederation (Rengo).

Eda reportedly told Tanabe that his party will continue cooperation with the SDP.

Tanabe agreed with Eda, the officials said.

The two opposition parties opposed the law enacted June 15, which allows Self-Defense Forces (SDF) personnel to join U.N. peacekeeping operations abroad.

On June 15, SDP's 137 members and four USDP members of the lower house submitted letters of resignation en masse to force Prime Minister Kiichi Miyazawa to dissolve the lower house for a general election on the issue.

Lower House speaker Yoshio Sakurauchi has rejected the resignations.

Tanabe and Eda agreed they will meet Sakurauchi after the upper house election and that the parties will not submit resignations from the lower house again.

BOJ Awaits Extra Budget Before Cutting Rate

OW0307124392 Tokyo KYODO in English 1234 GMT 3 Jul 92

[Article by Mitsuru Mabuchi]

[Text] Tokyo, July 3 (KYODO)—Thursday's U.S. discount rate cut has prompted Japanese financial markets to expect the Bank of Japan (BOJ) to follow suit soon, but economists say the central bank will wait to see what domestic fiscal spending will be.

That would mean waiting until the expected September announcement of Japan's supplementary budget for the BOJ to respond to the U.S. discount rate reduction from 3.5 percent to 3.0 percent.

Japan's markets responded immediately, with short-term interest rates plunging Friday in Tokyo.

The benchmark rate on three-month certificates of deposit dropped to 4.38 percent, the lowest level since November 1988, when Japan's official discount rate was 2.5 percent.

After that low, the BOJ raised the rate several times to a plateau of 6 percent, where it remained until the central bank began lowering it to spur the country's slumping economy last July. The bank last lowered the rate April 1 to 3.75 percent.

With the economy still sputtering despite that aggressive monetary easing, many economists view another cut in the central bank's key lending rate as inevitable.

As three-month interest rates have declined to 4.38 percent from as high as 4.7 percent a month ago on the release of the central bank's disappointing quarterly survey of business sentiment, the BOJ "will soon be allowing the overnight rate to come down slowly," said Kenneth Courtis, an economist at Deutsche Bank A.G.

The overnight unsecured call-money rate is the principal instrument for the central bank to control the short-term money market.

"They are already starting to prepare slowly the market for the next cut in the discount rate," Courtis said.

But BOJ officials strongly denied the bank would ease credit in coordination with the Fed. "'Coordinated interest-rate cut' is no longer in our policy vocabulary," said a BOJ source.

Economists reason the central bank must wait until it becomes clear how big the expected supplementary budget will be.

The ruling Liberal Democratic Party announced last Saturday economic pump-priming measures expected to amount to as much as 7 trillion yen, with a supplementary budget as the package's centerpiece. But the size of the budget has not been specified.

Prime Minister Kiichi Miyazawa told U.S. President George Bush in a just-finished Washington trip that he will compile a large supplementary budget in line with the ruling party measures.

A quick cut in the discount rate is unlikely "for the simple reason that the BOJ needs to see what's happening with fiscal policy before they make their final decision," said Robert Feldman, economist at Salmon Brothers Asia Ltd.

"There's a lot of uncertainty left about just how big the budget will be," he said. "Once the BOJ has a good idea and a good promise from politicians about the size of the budget, then they can go ahead and move."

Central bank economists are concerned that a cut in the benchmark rate now would be simply wasted or even counterproductive.

"If we cut the rate now, that could signal to the market that we view the economy as really bad," a BOJ source said. "That could depress the stock market instead of boosting it."

Also holding back the central bank is the grim prospect that if it lowers the rate now, expectations of another cut could emerge eventually, as the economy is unlikely to pick up any time soon.

The BOJ—still smarting from criticism that its ultraeasy money policy of the late 1980s helped create the now-burst speculative bubble of sky-high land and stock prices—wants to make the next cut the last one for a long while.

"We would like to keep our ace in the hole in case the government finds it difficult to finance a large-scale supplementary budget," said another central bank source.

Yoichi Tazawa, an economist at Nomura Research Institute, said the BOJ will guide short-term rates lower but remain very cautious about a cut in the discount rate.

"The next cut will probably be timed with the announcement of the fiscal package, just as the last one was," meaning the bank is likely to cut the discount rate in September, Tazawa said.

Tax Revenue Shortfall, 'Serious' Problem Seen

OW0407084892 Tokyo KYODO in English 0759 GMT 4 Jul 92

[Text] Tokyo, July 4 KYODO—Tax revenues could fall 1 trillion yen to 2 trillion yen short of government spending this fiscal year, depending on the course of Japan's economic recovery, a Finance Ministry source said Saturday.

Such a shortfall, reflecting a drop in revenues from income and corporate taxes, would pose a serious funding problem as the ministry has been under strong pressure to draft a large-scale supplementary budget to boost Japan's faltering economy.

Tax revenues were initially estimated at 62.5 trillion yen for the year ending next March 31, with 18.1 trillion yen expected from corporate taxes and 27.2 trillion yen from income taxes.

But unexpectedly low corporate profits so far could trim corporate tax revenues by at least 1 trillion yen, the source said.

Moreover, a shortfall of hundreds of billions of yen is expected from income tax revenues as interest income has waned amid falling interest rates, the source said.

The ruling Liberal Democratic Party on June 29 proposed a 6-7 trillion yen economic stimulation package for fiscal 1992, centered on an unspecified supplementary budget, as House of Councillors elections are just around the corner.

Finance Ministry officials have suggested that additional pump-priming measures might be financed by issuance of public works-financing bonds but have declined to specify the size of the supplementary budget the ministry would draft.

Weapons-Related Products Export Program Noted

OW0407093692 Tokyo KYODO in English 0922 GMT 4 Jul 92

[Text] Tokyo, July 4 KYODO—The Ministry of International Trade and Industry (MITI) on Saturday unveiled a program aimed at regulating exports of products that can potentially be used to make weapons of mass destruction.

The program will serve as a guideline with which the ministry will instruct exporters to tighten their in-house checks on exports of products which could be used to make weapons such as nuclear and chemical weapons, MITI officials said.

The new measure requires companies to check end-users of their products, importers' reasons for purchasing their products, and where the products will be used, they said.

The program also stipulates that companies set up a committee directly managed by a president to check exports of such weapons-related products, and bans exports of such products without permission from the committee.

It also stipulates that the president of a company must make a final decision on whether to export company products when exports are found to be suspicious.

The ministry is also planning to expand the number of items subject to the new regulation by 65 to some 120, the officials added.

Mongolia

Former Communist Party Wins 70 of 76 Seats

BK0207131992 Hong Kong AFP in English 1315 GMT 2 Jul 92

[Text] Ulan Bator, July 2 (AFP)—Mongolia's former communist party, the Mongolian People's Revolutionary Party (MPRP), has won 70 of the 76 seats at stake in last weekend's legislative elections, the national electoral commission announced Thursday.

The polls for seats in Mongolia's parliament, the People's Great Hural, were the first since the adoption of a democratic Constitution in February.

Disunited and badly organised, the opposition democratic coalition secured the other six seats.

The opposition at the beginning of the week had accused the MPRP of using its control of the country's administrative machinery to further its campaign.

After becoming the first Asian country to embrace Marxism-Leninism, in 1923, Mongolia was the first to reject it in 1990, turning instead to multi-party democracy and a market-oriented economy.

The former Soviet satellite's first free elections, which the MPRP won, were held in July 1990.

President Interviewed After Results Announced

OW0207142592 Tokyo KYODO in English 1410 GMT 2 Jul 92

[Text] Ulaanbaatar, July 2 KYODO—The ruling Mongolian People's Revolutionary Party (MPRP) overwhelmingly won the first election since the country became a democracy and shifted to a single chamber parliament, election officials said Thursday.

Officials from the Election Administration Committee announced results of the elections conducted last Sunday, when voters gave the MPRP 70 of the 76 seats in the nation's parliament.

A coalition of three opposition parties, including the Mongolian Democratic Party (MDP) and the National Progress Party (NPP), took four seats, while the Social Democratic Party (SDP) and an independent candidate each took one seat, committee officials said.

The number of valid votes totaled some 1.3 million, they said.

Of all the valid votes, the MPRP received 56.9 percent, followed by the coalition parties with 17.5 percent and the SDP with 10.1 percent.

Although opposition parties received a considerable number of votes, they failed to get enough seats to reflect their share since the votes were broken up among the parties, the committee said.

Among the candidates elected were Prime Minister Dashiyn Byambasuren, External Affairs Minister Tserenpiliyn Gombosuren, both from the MPRP, and NPP head chief Deputy Prime Minister Dabaadorjiyn Ganbold.

The committee was scheduled to announce the election results on Saturday but a smooth ballot-counting process made it possible to make the announcement on Thursday, the officials said.

Following the announcement of the landslide victory for the ruling MPRP, President Punsalmaagiyn Ochirbat stressed the need to establish political solidarity in the nation to help rebuild the nation's economy which is in a critical condition.

"In accordance with (the) people's selection, we must make efforts to promote further democratization and overcome economic crisis," Ochirbat said in an interview with KYODO News Service.

The president said he wants opposition parties to join in his new cabinet to be formed following the elections.

Ochirbat also stressed the need to strengthen relations with Japan, which has been Mongolia's largest aid donor.

People's Revolutionary Party Issues Appeal

LD0507032592 Moscow ITAR-TASS World Service in Russian 0946 GMT 3 Jul 92

[By ITAR-TASS correspondent Dugar Sanzhiyev]

[Text] Ulaanbaatar, 3 Jul—An appeal to the people was circulated here today by the Mongolian People's Revolutionary Party [MPRP], which gained a convincing victory at the general parliamentary elections held last Sunday.

The MPRP, in full accordance with its election platform and in the interests of all citizens of the country, will consistently conduct a policy of reforms aimed at speedily getting over the deep economic crisis experienced by the country at present, a quick transition to market relations in the national economy, and deepening the process of democratization in society on the basis of enhancing human rights, the document underlines. It strives for the political and economic independence of Mongolia, as well as the intellectual and cultural identity of the Mongols.

The MPRP's message expresses its desire to have businesslike and constructive cooperation with all countries in the world on the principles of equality and mutual benefit, especially with two great neighboring powers—Russia and China.

Proceeding from the demands of national unity and social stability, the MPRP is ready to cooperate with all political forces and public formations in Mongolia, the document notes. It stresses that the MPRP does not accept any form of political or other oppression. Persecution for ideological beliefs contradicts the party's principles, the MPRP states.

A plenum of the MPRP Central Committee will take place in the very near future and will outline ways to implement the party's election platform. It will consider issues associated with the necessity of forming new state and government bodies. According to the MPRP, providing food and social security for the population, especially children, students, single mothers, and elderly people, should become priorities in its activity.

North Korea

U.S. Declaration on Nuclear Arms Welcomed

SK0507233592 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 5 Jul 92

[Text] A spokesman of the DPRK Foreign Ministry held a press conference on 5 July on the recent U.S. announcement that it will completely withdraw all of its tactical nuclear weapons deployed in Asia and Europe. He said: According to a 2 July report, U.S. President Bush declared that all U.S. tactical nuclear weapons deployed in Asia and Europe had been completely withdrawn. Following this, a spokesman of the U.S. Department of Defense also announced that there are no U.S. nuclear weapons in South Korea.

The truthfulness of our nuclear policy that nuclear energy is utilized only for peaceful purposes has been confirmed when our country received a non-regular [pijonggi] inspection by the International Atomic Energy Agency [IAEA] in accordance with the Nuclear Nonproliferation Treaty. At this time, both President Bush's declaration that U.S. tactical nuclear weapons deployed in Asia and Europe have been completely withdrawn and the announcement by a U.S. Department of Defense spokesman that the United States has withdrawn all of its nuclear weapons from South Korea are noteworthy.

When the United States announced that it would eliminate nuclear weapons from its ground and sea bases last 27 September, we maintained that the United States should take the step of withdrawing nuclear weapons from South Korea, where the nuclear weapon deployment density is highest in the world.

The United States this time officially announced that there are no nuclear weapons in South Korea. If it is true, this means that our consistent assertion that nuclear weapons should be withdrawn from South Korea is being realized, and we welcome this.

The U.S. declaration that all of its nuclear weapons deployed in South Korea have been withdrawn will have a positive influence on realizing denuclearization of the Korean peninsula and on improving relations between the DPRK and the United States.

Now that the United States has announced the complete withdrawal of its nuclear weapons from South Korea, we maintain that a bright vista will open up for the smooth solution of the nuclear issue in the progression of improving future DPRK-U.S. relations.

The U.S. declaration of nuclear weapons withdrawal from South Korea this time is an advanced [chonjinjok] step. However, such a declaration alone it is insuffient to convince all people that there are no nuclear weapons in South Korea. Therefore, the United States should not only verify that all types of nuclear weapons, including its Air Force's tactical nuclear weapons, have been completely withdrawn from South Korea, but also take a practical step so as to fully convince (?objectively) that there are no nuclear weapons in South Korea.

Joint Political Subcommittee Meeting Detailed

SK0207141892 Pyongyang Korean Central Broadcasting Network in Korean 1212 GMT 2 Jul 92

[Text] The sixth round of meetings of the Political Subcommittee of the North-South high-level talks was held openly today at Tongilgak in our side's area in Panmunjom.

At the meeting, our side's chairman said that proceeding from the position of implementing the North-South agreement, which we solemnly pledged before all fellow countrymen, at an early date at any cost, our side, from the outset, presented a draft annexed agreement containing specific implementation measures for realizing reconciliation and unity between the North and the South. Furthermore, whenever the meeting went around and around and got nowhere [kongjon hada], our side made every sincere effort in the Political Subcommittee's work, including presenting a new revised plan, in a bid to advance the meeting.

Pointing to all facts, our side's chairman said: The South side, even after it had signed the North-South agreement, stubbornly evaded bringing a draft annexed agreement for implementing it. Even though the South side later brought a draft, it contained unjust and very harmful provisions. Furthermore, the South side, turning North-South relations into those between nations, attempted to behave as a party concerned in concluding the Korean Armistice Agreement on the pretext of the principle of solving questions between the parties concerned.

Our side's chairman stressed that this is connected with the South side's wrong position to use the North-South agreement for insidious splittist purposes, seeking reliance on outside forces. This was proven by the fact that the South side recently waged a commotion over the nuclear issue and raved about resuming the Team Spirit joint military exercise.

Our side's chairman said: In particular, the South side's chairman, stating that he represents the authorities, said on many occasions that unless the nuclear issue is resolved, progress in North-South relations cannot be expected and that without resolving this issue, preparations for the annexed agreement before the eighth North-South high-level talks are cloudy. Thus, he strongly called the South side's chairman to account for this.

Our side's chairman revealed that the reckless commotion over the nuclear issue was prompted by the U.S. principle of solving the nuclear issue first and has been waged on Washington's direct instructions. He stressed that whether or not both sides can finish discussion of the annexed agreement before the eighth North-South high-level talks, as they had agreed, whether or not the two sides can form the reconciliation joint committee, and whether or not the work of exchanging elderly parent-visiting groups and art troupes can be realized depend totally on the South side's attitude.

Our side's chairman demanded clear answers from the South side to the following questions: First, whether the South side truly intends to sincerely implement the North-South agreement; second, whether the South side will continuously assume the wrong position to withhold the implementation of the agreement; third, whether the South side is interested in discussing and resolving the implementation of the agreement, sitting face to face with us, from the position of independence.

On the other hand, the South side's chairman, noting that he was answering our questions, said that the report that everything will be withheld unless the nuclear issue is resolved is a distortion and that the report that preparations of the annexed agreement before the eighth North-South high-level talks being cloudy was an incorrect report by the media. However, he said that it was the government's position that without solution of the so-called the nuclear issue, practical progress in North-South relations cannot be expected. Thus, he made inconsistent remarks by contradicting his previous remarks.

In this connection, our side's chairman immediately made a counter argument. He said that we must clear up the remark made by the South side's chairman, who had distorted the truth by saying that the South side had been a party concerned in concluding the Korean Armistice Agreement, and that we also must clear up the fact that the results of the International Atomic Energy Agency [IAEA] inspection were disputed by the South side. He also gave detailed examples to illustrate that South Korea was not a party concerned in concluding the Korean Armistice Agreement but that the U.S. side was; that at the time the South side did not even sign the Armistice Agreement; and that the National Assembly proclaimed that the Armistice Agreement was invalid.

Our side continued by saying that the South side's mention of the nuclear issue was the same as the speech made by the South side's representative at the June IAEA Board of Governors meeting and as the remark made by the South side's chairman at the 30 June Joint Nuclear Control Committee meeting. Our side said that we are gravely warning the South side about the remark made by its chairman today.

Our side's chairman refuted the South side, because it has said that it has some misgivings about the IAEA's inspection of our nuclear facilities, even though it was clearly confirmed through the IAEA's inspection that our nuclear facilities are for peaceful purposes. Our side's chairman also asked whether truly it is an unreasonable sophistry for the South side to say that an IAEA inspection of it is a guarantee while the same is not true for us? Our side's chairman continued to demand an explanation of how the South side can say that the IAEA's inspection of our side is limited while saying that it is not necessary to take joint measures to deal with the danger of Japan's nuclear facilities because it was confirmed through IAEA inspections that Japan's nuclear facilities are for peaceful purposes.

Our side's chairman said that the world's people are consistently recognizing that the South side's anti-North nuclear commotion is in accordance with the scenario and orders of the United States. He pressed for an answer on how long it will continue to live by following the United States. He continued to point out that the nuclear issue on the Korean peninsula was raised because the South side dragged U.S. nuclear weapons into South Korea. He also stated that if the U.S. imperialists will receive inspection of all U.S. nuclear weapons and nuclear bases in South Korea under the condition that we have received the IAEA's inspection, then all issues will be resolved.

By giving detailed examples, our side's chairman said that the anti-North nuclear commotions being carried out within and outside the meeting places by the South side is being initiated by the South side's Political Subcommittee chairman himself and emphasized that as long as the South side does not stop the anti-North nuclear commotion, no results will be achieved no matter how many times both sides sit face to face. The South side's chairman was not able to find an excuse before the reasonable and logical refutation and probing by our side's chairman.

Next, both sides held discussions on the annexed agreement. Through our side's sincere efforts, both sides reached an agreement on the title and preface of the annexed agreement, and it was decided that both sides will study further and hold discussions on other paragraphs.

In concluding the meeting, our side's chairman demanded of the South side's chairman that in the future the South side should officially declare that the nuclear issue will not be a precondition to fulfill the North-South agreement. The South side's chairman avoided clearly answering this.

It was decided that both sides will hold contacts between Political Subcommittee chairmen on 10 July.

WPK Central Committee Member Hong Ki-mun Dies

SK0407044892 Pyongyang KCNA in English 0428 GMT 4 Jul 92

[Text] Pyongyang July 4 (KCNA)—Academician, professor and Doctor Hong Ki-mun, member of the Central Committee of the Workers' Party of Korea [WPK], deputy to the Supreme People's Assembly [SPA] of the Democratic People's Republic of Korea and vice-president of the Academy of Social Sciences, passed away on July 3, 1992, at the age of 88 after a long illness. His obituary has been published by the WPK Central Committee, the standing committee of the SPA of the DPRK and the committee for the peaceful reunification of the fatherland.

Hong Ki-mun, born into a patriotic writer's family, engaged himself in linguistic studies and press activities at home and abroad from the period of the Japanese imperialist colonial rule. After he was embraced in the bosom of the great leader Comrade Kim Il-song with the foundation of the DPRK, he brought his talent and wisdom into full bloom and greatly contributed to the education of the rising generation and scientific researches.

Upholding the chuche-based scientific policy of the WPK, he rendered distinguished services in the translation and publication of national classics including "true records of the Yi dynasty" and "80,000 blocks of complete collection of buddhist scriptures" and devoted himself to the development of the nation's science by training many able reserves.

Holding the posts of vice-chairman of the Supreme People's Assembly, vice-chairman of the Committee for the Peaceful Reunification of the Fatherland and presidium member of the Central Committee of the Democratic front for the Reunification of the Fatherland for many years, he worked selflessly for the strengthening and development of the Republic and the independent and peaceful reunification of the country.

A funeral committee for the late Hong Ki-mun has been formed with Pak Song-chol as its chairman and with fifteen members including Choe Tae-pok, Yun Ki-pok, Hwang Chang-yop, Yang Hyong-sop and Chang Chol.

U.S. 'Domination Over Asia' Criticized

SK0307154092 Pyongyang KCNA in English 0957 GMT 3 Jul 92

["Independence of Asia Is Main Link in Making Whole World Independent"—KCNA headline]

[Text] Pyongyang July 3 (KCNA)—NODONG SINMUN today comes out with an article headlined "Independence of Asia Is Main Link in Making Whole World Independent".

The analyst says:

Asia's independence stands out as an urgent demand in building an independent new world because many legacies of the cold war era remain in this region.

Graphic examples are colonial domination of the United States over South Korea and the illegal occupation of Arab territories including Palestine by Israel.

South Korea, in particular, is a strongpoint and a bridgehead of imperialists to establish their domination over Asia and, furthermore, over the world.

And many aggressive military bases with large aggression armed forces including nuclear weapons threatening the sovereignty of countries in this region and the regional security and peace are concentrated on Asia.

Hundreds of military bases and establishments and U.S. troops some 100,000 strong are deployed in Northeast Asia alone. South Korea, Japan and other places of Asia are scenes of war clamor stemming the flow to detente and leading the situation to confrontation.

The recent passage of the "U.N. peacekeeping cooperation bill" in Japan has made real the aggressive danger of the Japanese militarist forces which seek to lawfully take the road of overseas expansion under the U.N. flag on the pretext of international contribition.

It is a trend of the time facing the Asian people to realise the independence of Asia.

If an independent new Asia is to be built, the aggressive military bases and aggressive armed forces including nuclear weapons in this region must be removed and domination and interference of the imperialists be checked and frustrated before anything else.

An independent Asia can be achieved only by the united strength and joint struggle of the Asian people.

U.S. Accused of Starting Korean War for Profit

SK0607110392 Pyongyang KCNA in English 1009 GMT 6 Jul 92

["Korean War Was Means for Greatest Profits of U.S. Monopoly Capital"—KCNA headline]

[Text] Pyongyang July 6 (KCNA)—NODONG SINMUN Sunday says the Korean war in 1950 was a war of aggression provoked by the United States to find a way out of the economic crisis.

The paper continues:

The then U.S. President Truman in his letter to the U.S. Congress on July 19, 1950 after the Korean war was ignited put forward a plan for stepping up extensive arms buildup and militarization of the economy. Thus the U.S. ruling quarters drastically appended military spendings from the day when the war was started, increasing it from the level of 13 billion dollars in the fiscal year of 1950 to 33.2 billion dollars in 1951 and more than 47.67 billion dollars in 1952. As the result, nearly 180 billion dollars was alloted to the military field in the U.S. budget (July 1950-June 1954) which was adopted after the start of the Korean war. The order for munitions of war placed by the U.S. Government with monopolies rapidly increased with the start of the war of aggression in Korea. The value of the U.S. Government's order for munitions of war on a monthly average reached 5 billion dollars, a half of a total value of consumption in the United States during a half year after the outbreak of the Korean war. The value of military order from the heavy industrial monopolies was nearly 85.5 billion dollars till December 1952 from the start of the Korean war.

The U.S. imperialists took various steps to further expand the production of munitions of war and provide greatest profits to the monopoly capitalists during the Korean war.

And the U.S. ruling quarters established the system of distributing industrial material in favour of the military monopolies during the war of aggression in Korea. Iron, copper, aluminium and other metals were supplied only to munition factories.

In addition, the U.S. Administration gave much funds including subsidiary funds to different companies for the expansion of munition production and for profits of the monopoly capitalists.

A total value of profits gained by the U.S. monopoly capitalists in the period of two and a half years (June 1950-December 1952) after the United States provoked the Korean war was 107 billion dollars, and the profit of the U.S. monopolies during the Korean war reached 42.5 billion dollars on an annual average, nearly two times the annual profits of 21.5 billion dollars in the period of the Second World War.

Today when the Cold War ended, the United States is trying to find in a war a way out of the daily worsening economic crisis and make its breakthrough on the Korean peninsula. But this is an anachronistic act contrary to the trend of detente and the desire of people for peace.

KCNA Reports 'Bumper' Vegetable Harvest

SK0207112592 Pyongyang KCNA in English 1014 GMT 2 Jul 92

[Text] Pyongyang July 2 (KCNA)—A bumper harvest of cabbage, cucumber, pumpkin and other vegetables is in full swing on the cooperative farms in Sadong, Yokpo, Mangyongdae, Hyongjesan and other districts and Chunghwa and other counties of Pyongyang Municipality.

According to data available, the daily output of vegetables is 2 to 2.5 times that in the same period last year.

With the completion of the Yokpo Waterway, the cooperative farms in Yokpo district are reaping five to ten more tons of cabbage and pumpkin from each hectare than last year.

Greenhouse vegetable growing is also very successful.

In Chunghwa County, scores of tons of greenhouse cucumber are being picked at a time these days.

Importance of Production Modernization Stressed

SK0207160192 Pyongyang Korean Central Broadcasting Network in Korean 0013 GMT 30 Jun 92

[NODONG SINMUN 30 Jun Special Article: "Replacing Production Facilities With Precision, Large, High-speed, and Automated Ones is an Important Requirement for Modernizing the National Economy"]

[Text] Making the national economy chuche-oriented, modernized, and scientific is a strategy that should be consistently followed in socialist, communist economic construction. Along with making the national economy chuche-oriented and scientific in conformity with the demands of the developing reality, we should actively accelerate its modernization.

A major problem in accelerating the modernization of the national economy in the present period is to replace production facilities with precision, heavy, high-speed, and automated ones.

The dear leader Comrade Kim Chong-il has said: Replacing production facilities with precision, heavy, high-speed, and automated ones has become a global trend that we should follow.

Doing this is important for enhancing the level of the national economy's technical provisions. The level of the national economy's technical provisions is an important yardstick to measure the level of the country's scientific and technological development. Constantly enhancing it is the important task that we should consistently work on to rapidly develop the overall national economy.

Only when we enhance the overall level of the national economy's technical provisions can we further strengthen the self-reliance of the economy and more rapidly develop production by enhancing to the maximum the function and role of production tools and production facilities.

Improving the level of the national economy's technical provisions is important to enhancing the technological level of production and to building the material and technological foundation suitable to socialist and communist society, and our party has consistently concentrated great efforts on this. In particular, improving and perfecting production facilities in conformity with the demands of reality, in which socialist construction and the technological revolution have entered a new high stage, and with the developing trend of the world's economy is important to enhancing the level of the national economy's technical provisions. Our party is now wisely leading the struggle to do this.

In improving and perfecting production facilities it is important to enhance the performance of production facilities and to diversify their functions. This presupposes the production of modern production facilities such as precision machines, large machines, high-speed machines, and automated machines.

Modern production facilities display high performance without exception. In other words, they are not only more efficient and physically stronger than a human being, but they also guarantee high accuracy and precision. They guarantee the security and reliability of the means of production not only in the mechanical-dynamic process of production, but also in the chemical, electric, and thermal engineering process of production.

Modern production facilities diplay high performance and carry out various functions. The high performance and the diversified and superior functions of these modern production facilities have become an important yardstick that can determine the technological level of production facilities and the level of their modernization.

Reality demands that all sectors of the national economy be equipped with modern production facilities such as precision, heavy, high-speed, and automated machines. Equipping all sectors of the national economy with modern production facilities such as these is realized by replacing production facilities, which is a strict requirement for realizing the modernization of the national economy by acclerating the mechanical revolution at the present period.

Replacing production facilities with precision, heavy, high-speed, and automated ones is important to enhancing the level of modernization of the national economy by effectively utilizing the production foundation of our country's machine industry and its scientific and technological strength.

Our party early on defined the mechanical revolution as a most important part of the technological revolution and, based on this, built the production foundation of machine industry and its scientific and technogical strength. As a result, strong machine industry bases and electronic and automation industry bases, which are the heart of industries and the basis of the development and technological progress of all sectors of the national economy, have been built everywhere in our country, and our country now has a large army of able intellectuals with knowledge of modern science and technology.

Based on this, our country has already been able to manufacture such production facilities as 10,000-ton press forging and digital-controlled machine tools with our own technology and strength. Recently our country completed in a short period of time the project of expanding and modernizing Hungnam Fertilizer Complex, which is equivalent to constructing a new large fertilizer plant.

This not only displays the might of chuche-oriented industry but also shows that we can produce by ourselves modern production facilities demanded for realizing the modernization of the national economy as well as solve scientific and technical problems through our own strength without difficulty, even if they are presented in a complicated way in the process.

The modernization of the national economy is progressing ceaselessly, and its level must be continued to be enhanced in accordance with the demand of the developing reality. The work to promote the modernization of the national economy must be enhanced so that the level of our country's technology can be raised to international levels as soon as possible.

Originally, the work to modernize the national economy was to reconstruct the old, backward technology into an advanced one. The most significant target in reconstructing and developing the old, backward technology into an advanced one is none other than production facilities. This is because production facilities are basic weapons in the struggle to develop production and carry out nature-remaking projects. It is also because this is a basic means to liberate the people from hard labor.

The modernization of production facilities is created, improved, and completed through the process of applying scientific and technical results to production practice. Therefore, science and technology form the foundation in making it possible to improve and complete the production facilities, and the level of its development characterizes the level of improvement and completion of production facilities.

The current era is one of science and technology. With an unprecedented depth and rate of progress, today's science and technology are pioneering a new path which was unimaginable in the past and are also developing at an extraordinarily high speed. With the development of science and technology, scientific and technical problems in inventing and producing modern production facilities that are able to do highly efficient and diversified functions are being solved smoothly. Also, a great change is being made in the processing method and processing technology.

Especially since technology, including mechanical engineering, electronics, and automation engineering, has developed rapidly during the past few years, production facilities structures are being improved and completed into the most logical and modern ones. Therefore, many precision, large, high-speed, and automated machines have been invented and produced; the level of automation is being enhanced; and robotization and computerization, which are the highest level, are being promoted vigorously.

This shows that as the level of the scientific and technical development is enhanced, the technical possibilities to automate production facilities with precision, large, and high-speed machinery are provided all the better and shows that it is possible to modernize the national economy at the highest level. Replacing production facilities with precision, large, high-speed, and automated ones is an important demand to enhance the level of the national economy's technical provisions and to accelerate the modernization of the national economy at a high level.

We must deeply bear in mind the party's intention to replace production facilities with precision, large, high-speed, and automated ones and do this work boldly and daringly.

The masses are the masters of technology and are the creators. If the goal to replace production facilities with precision, large, high-speed, and automated ones in all sectors and units is boldly presented and if the producing masses actively participate in technical innovation, anyone can use one's head and make efforts to become a creator and inventor of new technology.

Especially, creative cooperation among the scientists, technicians, and laborers must be strengthened so that many new valuable experiences and technical inventions can be created. Also, if scientific research results and technical innovations are applied to production appropriately, it will be possible to more quickly replace production facilities with precision, large, high-speed, and automated ones.

The work to replace production facilities with precision, large, high-speed, and automated ones is a difficult task to create the new. Therefore, in the process of replacing production facilities with precision, large, high-speed, and automated ones, we can face obstacles and barriers. Therefore, it is important to highly manifest the indomitable revolutionary spirit of overcoming the obstacles and barriers with our own strength courageously.

As the 10-party members of Nagwon had done, when the scientists, technicians, and laborers actively invent and produce modern production facilities with the revolutionary spirit of self-reliance and fortitude that they will work to achieve this by themselves, even if the people in the upper echelon will not help them, and when they actively solve all problems in remodeling and developing the old production facilities in a technical way, the modernization of the national economy can be quickly realized in accordance with the party's demand.

The party members and workers in all sectors of the national economy must embrace high loyalty toward the party and the leader and actively accelerate the replacement of production facilities with precision, large, high-speed, and automated ones so that technical level can be enhanced decisively in production to spark a new turning point in realizing the national economy's modernization.

South Korea

Government May Revise Nuclear Inspection Regime

SK0607095292 Seoul YONHAP in English 0935 GMT 6 Jul 92

[Text] Seoul, July 6 (OANA-YONHAP)—South Korea may abolish distinction between civilian and military facilities in the inter-Korean nuclear inspection regime in its bid to break the current deadlock in the negotiations, government sources said Monday.

South Korea will take this step only when North Korea drops its demand to see all of U.S. military bases in the South in exchange for just showing its Yongbyon complex, they said.

But there have been indications that North Korea will be flexible in this demand, according to the sources. The latest indication was a statement by the North Korean Foreign Ministry that it "welcomes" U.S. announcement of complete withdrawal of tactical nuclear weapons from Europe and Asia, including South Korea.

"We will have to study the statement in more detail, but it certainly is a step toward accepting Seoul's and Washington's insistence that there are no longer any nuclear weapons deployed on South Korean soil," one official said.

Pyongyang recently showed extreme eagerness to improve relations with Washington, which may impel it to be more willing in inter-Korean nuclear negotiations, he said.

North Korean leader Kim Il-song admitted to William Taylor, vice president of the Center for Strategic and International Studies (CSIS), of his country's economic plight, especially after the former Soviet Union cut off oil supply.

Kim urged for U.S. economic and technological assistance and asked for promotion of American tourists to North Korea, the official said.

If Pyongyang decides to believe South Korean and U.S. announcements of nuclear withdrawal and back away from its demand to see American military bases in the South, then Seoul will not insist on specifically distinguishing between civilian and military installations in the nuclear regime, according to the sources.

Seoul will instead call for inspection on "sites suspected of storing nuclear materials or weapons," they said. This would solve North Korea's unwillingness to open its military sites to South Korean inspectors.

"But there is no change in our demands for challenge inspection," the official said.

Challenge inspection, another centerpiece to inter-Korean nuclear negotiations, would pry open a suspected site after a 24-hour notice.

"We could start the inspection on just civilian facilities. But we insist on having the right to see any suspected installations on short notice," he said.

U.S. Urged To Clarify Absence of Nuclear Arms

SK0507122092 Seoul HANGYORE SINMUN in Korean 5 Jul 92 p 2

[Editorial: "The United States Should Declare 'Absence of Nuclear Weapons' More Clearly"]

[Text] How long will the controversy over the nuclear issue on the Korean peninsula continue? For several months the stand-off and controversy over the nuclear issue have remained blocking the door to "reconciliation and cooperation" that the South and North opened after twists and turns. The focal point of the controversy over the nuclear issue has shifted from an immediate inspection of nuclear facilities in North Korea by the International Atomic Energy Agency [IAEA] to mutual inspection between the South and North. In the meantime, the South side made it clear that without mutual inspection, there will be no substantial progress in South-North relations between the two sides, stopping short of making the mutual inspection a precondition. At the same time, many other countries unscrupulously have poked their nose in the issue of mutual inspection, for which North Korea has no obligation either by the Nuclear Nonproliferation Treaty or any other international treaties, calling on North Korea to agree to it at an early date and imposing the mutual inspection as a precondition for improving relations with North Korea.

As is known, at the Joint Nuclear Control Committee, the South and North have made no progress in discussion of mutual nuclear inspection because of their differing positions on the inspection regime and whether to include special inspection [tukpyol sachal] and military facilities in the list of targets to be available to inspection, as well as over the adoption of an agreement on implementing the "joint declaration on denuclearization." Special inspection, which can be conducted by surprise at a suspected site of the opposing side within 24 hours after notification, is aimed, of course, at the military bases in North Korea. The United States at every opportunity has rudely called on North Korea to accept this under the pretext of policy consultation and whenever the South tried to show flexibility toward the North in a bid to produce a breakthrough in negotiations. The North side maintains that since the first phase of nuclear inspection of North Korea has been conducted by the IAEA, the basic conditions for realizing the denuclearization of the Korean peninsula will be created if inspections of U.S. nuclear bases and facilities in South Korea prove the absence of nuclear weapons there. The North, going one step farther, intends to formulate a solid institutional instrument to ensure denuclearization by reflecting in the agreement ways to implement international guarantees for realizing the denuclearization and ways to bar the opposing side from joining in nuclear blackmail and conspiracy.

At a time when the two sides are not making any headway in nuclear negotiations, U.S. President Bush announced on 2 July that the United States has completed the withdrawal of all 2,400 ground-based and naval tactical nuclear weapons based outside the United States. In addition, President Bush stressed that the "announcement on the withdrawal of U.S. nuclear weapons will have an affirmative impact on the Korean peninsula and it should have." He went on to call on North Korea to take similar steps in response to "U.S.

sincerity proven by the withdrawals." The reason why we pay attention to the U.S. President's announcement on the withdrawal of tactical nuclear weapons and his words on the Korean peninsula is because his statement appears to have strayed beyond the U.S. policy of neither confirming nor denying the presence of nuclear weapons, a policy the United States has enforced in areas other than Europe. When, in fact, President No Tae-u declared the absence of nuclear weapons in South Korea's territory in mid-December last year, the United States virtually refused to verify the absence of nuclear weapons by keeping this policy in place. So, President Bush's latest mention appears to be the most noteworthy of all the remarks he has made since the end of last September [as published], when he declared the withdrawal of all U.S. tactical nuclear weapons, showing that the United States had strayed beyond its policy.

We have no way of knowing what message the United States is trying to give to Pyongyang in President Bush's remarks. We only hope that the United States will abandon its policy of neither confirming nor denying the location of nuclear weapons on the Korean peninsula in the wake of the withdrawal of tactical nuclear weapons based outside the United States. We remember that even some U.S. academicians have intermittently called on the U.S. Government to review this policy as a way of obviating the obstacles in the way of mutual South-North inspections. The relinquishing of such a policy, namely a clear declaration by the United States on the absence of nuclear weapons, no doubt will greatly help the South and North produce a breakthrough in their bilateral nuclear control negotiations, which remain deadlocked. Such a declaration will greatly soften not only North Korea's demand for "an inspection of the nuclear weapons and nuclear bases that it suspects exist," but also the demand of South Korea and the United States for special inspection [tukpyol sachal] of military bases in North Korea in return for inspections of the nuclear bases.

Yi Sang-ok Denies Kim Tal-hyon Moscow Meeting

SK0307084892 Seoul YONHAP in English
0834 GMT 3 Jul 92

[Text] Alma-Ata, Kazakhstan, July 3 (YONHAP)—South Korean Foreign Minister Yi Sang-ok reacted sharply Friday to press reports that he secretly met with a North Korean official in Moscow.

"It's absolutely untrue, absolutely groundless," he said.

The vernacular KOREA ECONOMIC DAILY reported from Moscow that Yi had a clandestine meeting with Kim Tal-hyon, chairman of the North Korean External Economic Commission, in Moscow.

Kim, in the Russian capital June 29-July 1, met instead with Daewoo Group Chairman Kim U-chung to discuss a gas pipeline project.

"I have no reason to meet him (Kim Tal-hyon), and I had no time to see him," the foreign minister said. "I didn't even know Kim U- chung was in Moscow."

Yi's aides, disturbed at the reports, turned their ire on Daewoo, accusing company officials of planting the story to play up their chairman's activities.

The information was carelessly given to a reporter who totally misunderstood it, dumping the foreign minister in hot water, they complained.

Daewoo Chief Allegedly Meets North Official

SK0307022292 Seoul YONHAP in English
0156 GMT 3 Jul 92

[Text] Seoul, July 3 (YONHAP)—Daewoo group chairman Kim U-chung, not Foreign Minister Yi Sang-ok, met with North Korean vice prime minister Kim Tal-hyon in Moscow earlier this week, informed sources here said Friday [3 July].

The sources said a gas pipeline stretching to South Korea through North Korea was the overriding topic at the meeting.

Kim Tal-hyon made an unofficial visit to Russia June 29-July 1 and discussed visa and other pending issues with Russian officials, the sources said.

The KOREA ECONOMIC DAILY reported Thursday that the North Korean official met with Yi Sang-ok covertly and agreed on the pipeline project.

A Foreign Ministry official denied the Yi-Kim meeting Friday.

Yi Sang-ok Returns From Visit to CIS 5 Jul

SK0507063892 Seoul YONHAP in English
0614 GMT 5 Jul 92

[Text] Seoul, July 5 (YONHAP)—South Korea plans to confirm the United Nations of its intention to participate in U.N. Peacekeeping Operations (PKO) before September after inter-ministerial consultations on the move, Korean Foreign Minister Yi Sang-ok said Sunday.

Yi, arriving from a nine-day visit to the Commonwealth of Independent States (CIS), told a news conference at Seoul's Kimpo International Airport that the Seoul government would submit a reply on the scheme to the U.N. Secretariat before the U.N. General Assembly in September.

Yi, however, refused to go into detail about whether Korea considers including an infantry battalion or not for PKO activities in the answer to the secretariat.

The U.N. secretariat sent a questionnaire last October to Seoul last October to find out in which fields of the U.N. peacekeeping activities South Korea is willing to participate.

" The government should make a legal study of whether or not it will undergo a prior agreement of the National Assembly, before it replies to the U.N.," Yi told reporters.

Turning to the results of his trip to the CIS, Yi said that Russia is expected to initial a treaty on basic relations between Korea and Russia during a visit to Seoul of a high-ranking Russian official in August.

Korean President No Tae-u and his Russian counterpart Boris N. Yeltsin will sign the treaty during the scheduled visit to Seoul of Yeltsin in September, Yi explained.

Noting that Yeltsin expressed a particular interest in promoting substantial economic cooperation between Seoul and Moscow in a meeting with him, Yi also said that Yeltsin wanted to meet South Korean businessmen during his stay in Seoul in an effort to discuss a South Korean economic aid to Russia.

In connection with press reports that Kim U-chung, a South Korean business tycoon, met North Korean Vice Premier Kim Tal-hyon in Moscow to discuss the possibility of building a gas pipeline linking Russian Siberia and South Korea through North Korea, he didn't elaborate on them.

"I just received a briefing on the reports from South Korean embassy staffers in Moscow, but I don't have much knowledge on the scheme," Yi added.

DLP, Government Agree To Increase 1993 Budget

SK0607085492 Seoul YONHAP in English 0702 GMT 6 Jul 92

[Text] Seoul, July 6 (YONHAP)—The government and ruling Democratic Liberal Party (DLP) agreed Monday to increase the budget 12-13 percent next year considering the expected economic growth rate of 7 percent and inflation of 5-6 percent.

In a joint DLP-administration consultative meeting, the DLP proposed that hiring of functionaries and spending by public organizations be restrained, that construction permits for the public buildings not be issued, and that central government functions be transferred to local govenments or private organizations to minimize the drain on the budget.

The DLP called on the government to hold down the hike in the defense budget as far as possible by cutting expenditures in other areas to absorb the increased burden for maintaining the U.S. Forces in Korea.

The DLP plans to expand investment in infrastructure, science, technology and education to foster the potential for the future development.

It also decided to increase investment in environment technology and social welfare to cope with emerging environmental problems around the world and to enhance welfare standards.

The DLP asked the government to increase the budget for reorganization of farm and fishing villages, boost support for medium- and small-sized firms and balance regional development.

Prior to the meeting, Deputy Prime Minister-Economic Planning Minister Choe Kak-kyu reported the government's 1993 budget plans to ruling party Executive Chairman Kim Yong-sam.

Choe, vice ministers of each ministry, and ranking party officials, including Hwang In-song, chief DLP policymaker, attended the party-administration consultative meeting.

Economic Board Announces Antidumping Measures

SK0507032892 Seoul THE KOREA HERALD in English 5 Jul 92 pp 1, 8

[Text] Foreign companies dumping their products on the Korean market will face provisional antidumping duties within 60 days after the government's investigation begins, the Economic Planning Board [EPB] said yesterday.

The government will also shorten the period needed for taking safeguard steps after receiving dumping complaints from the present 360 days to 180-240 days, according to the EPB's formula on improving the industrial injury relief system announced yesterday.

An EPB spokesman said that the latest step is designed to speed up the time-consuming procedures now in use for protecting the domestic industry from dumping practices by foreign firms of items which the domestic makers have successfully developed.

The new rules will be put into effect after related laws are revised, possibly within the year, he said.

The revised regulations also call for, among other things:

—Transfer of the administrative duty of receiving dumping charges and the decision to commence investigations, from the Ministry of Finance [MOF] to the Korean Trade Commission [KTC] under the wing of the Ministry of Trade and Industry [MTI].

—The judgment by KTC on the qualification of firms which file complaints and on whether the involved firms are of same business lines.

—KTC's decision on whether to start probes after confirmation of industrial injuries.

—Continuance of the present system for other aspects of the antidumping administration, with the KTC investigating the cases. Other agencies such as the Korea Customs Administration [KCA] will determine the dumping rates and the Ministry of Finance will take final steps to rectify irregularities, such as levying antidumping duties.

Once a complaint is filed, the KTC will decide whether to launch an investigation within 30 days, instead of the present 90 days, complete the probe within 120 and 180 days, and take relief measures within 30 days after that.

The total industrial relief procedure will, in effect, be curtailed to about half the period, the EPB official said.

Another major systematic improvement is the preliminary ruling system, which will be conducted separately with the formal proceedings by the KTC, the Korean version of the U.S. International Trade Commission, or the customs authorities, he said.

If foreigners prove to have injured the domestic industry by dumping, the Finance Ministry will impose antidumping duty as a provisional measure, an administrative mechanism to more swiftly cope with the irregular and unfair trade practices here by foreign firms, the official explained.

The revision also stipulated the establishment of "complaint-filing window" at major business associations such as the Korea Chamber of Korean Industry, the Federation of Korean Industries, the Korea Foreign Trade Association, in addition to the KTA and KCA.

To enhance the status of the KTC, the formula proposes to elevate the currently MTI affiliate to an independent agency with its own law-enforcing authority, like the Fair Trade Commission under the umbrella of the EPB.

What has sparked the latest government move is frequent dumpings by foreign firms here, which are in part aimed at discouraging the Korean businesses' efforts to develop technology, he said. The official cited as an example the recent bankruptcy of Dongsung Semiconductor Co., an electronic parts maker, by the Japanese dumping of a key product which the Korean firm had so painstakingly developed. There were 43 such suspected dumping cases reported as of the end of June, he said.

The attempt to step up the industrial safeguard, however, is expected to meet considerable resistance by foreign firms and governments, which appear to believe it is too early for a developing country like Korea to introduce such a system befitting advanced countries, analysts here said.

At the same time, the revision could have contained more improvement but failed to do so because of the interministerial "turf war" between MTI and MOF, critics said, adding that the entire administration of antidumping procedures needs to be integrated into a single government agency, as is the case in most countries.

Labor Ministry Reports Union Membership Decrease

SK0207233892 Seoul YONHAP in English 1156 GMT 2 Jul 92

[Text] Seoul, July 2 (YONHAP)—The number of unionists, which surged sharply in post-June 29, 1987 declaration years, has been on a steady decrease since last year.

According to the Labor Affairs Ministry Thursday, labor unions totaled 7,656 at the end of last year, down 42 or 0.5 percent from a year earlier.

Unionists, too, declined by 83,400 or 4.4 percent from 1,886,800 at the close of 1990 to 1,803,400 at the end of last year.

Accordingly the ratio of unionists to the total permenently employed workers with the exception of farm workers was down 1.2 percentage points from 18.4 percent in 1990 to 17.2 percent in 1991.

Ministry officials attributed the fall to the closure of an increasing number of the firms of such declining industries as mining, textile and rubber.

Government To Establish Liaison Office in SRV

SK0607002692 Seoul YONHAP in English 2352 GMT 5 Jul 92

[Text] Seoul, July 6 (YONHAP)—The government will send a three-man team led by a counselor to Vietnam to establish a liaison office in Hanoi within this month, Foreign Ministry officials said Monday.

South Korea and Vietnam agreed in April to establish a liaison office in each other's capital.

The preparatory team will leave Seoul July 9 and enter Hanoi July 11, the officials said. They said they expect Vietnam to send its officials to Seoul soon.

The Seoul government hopes to establish diplomatic relations with Vietnam by the end of this year, the officials said.

According to international practices, the two countries have agreed to recognize their ambassadorial property in Seoul and Ho Chi Minh City, the officials added.

There are some 20 branch offices of 16 South Korean business establishments in Vietnam and the officials expected bilateral economic exchanges will become active as soon as the two countries form diplomatic ties.

Banks Complain About 'Discrimination' From U.S.

SK0407015492 Seoul THE KOREA TIMES in English 4 Jul 92 p 10

[By staff reporter Yi Chang-sop]

[Text] Korean banks are complaining about the alleged discrimination they face in the United States. In a recent report, they argued that they have been unable to open branches in Chicago.

They said the U.S. central bank, the Federal Reserve Board, has an ambiguous guideline on issuing licenses to Korean banks, domestic bankers and the Finance Ministry [MOF] said.

Such U.S. states as Florida and Georgia as well as Washington D.C. do not permit Korean banks to open branches, they noted.

U.S. regulators bar American banks from buying certificates of deposit (CDs) issued by Korean banks. Seoul bankers said Korean banks also face discrimination in issuing stand-by letter of credits in the United States.

Without any convincing reason, Korean staff face long delay in getting visas, they said, adding the U.S. Embassy here demands what they believe are unnecessary documents for screening visa applications. They said the embassy has no clear-cut guideline on visa applications from Seoul banks.

They urged the Finance Ministry to ask the United States to extend "national treatment" to Korean banks operating in the United States, arguing that state banking regulators have different and sometimes cumbersome guidelines that discriminate against Korean banks there.

Korean bankers added that foreign banks in the United States, including Korean banks, face discrimination in getting broker and dealer licenses for marketable securities from U.S. regulators.

Korean banks face discrimination in buying equities of U.S. banks, they said.

According to the Finance Ministry and the Bank of Korea, the Fed is moving to make regular audits of liaison offices of Korean banks. The U.S. central bank is seeking to look into internal affairs of the representative offices which are manned by less than five Korean staffers and do not conduct business.

Korea has been liberal in allowing foreign financial institutions to open liaison offices and no inspection is made of such offices not conducting business.

Due to the "power struggle" between the Fed and the states, including New York, Korean banks must go through cumbersome and sometimes unnecessary inspections from the Fed and state regulators, many Seoul bankers said.

The United States is also moving to ban foreign bank branches from taking deposits of less than 100,000 dollars from individual depositors, a dangerous move that may effectively block Korean banks from handling retail business, they argue.

Seoul bankers said Korea allows foreign banks in Korea, including Citibank, to open branches wherever and whenever they want. But the United States is moving in the opposite direction of Korea, they noted.

MOF officials and bankers fear that Washington will become more and more protectionism-oriented against foreign financial services institutions as the presidential election nears.

Joint Strategy

Local bankers have recently held a series of meetings with MOF officials to come up with a joint strategy against the United States, which is growing more and more strident against Korean banks as well as other foreign banks operating there.

Korean bankers are becoming move vocal after the Finance Ministry unveiled its financial deregulation program, which is mostly aimed at improving the business climate for foreign banks here.

Seoul bankers are prodding MOF to ask the U.S. Treasury Department to eliminate such barriers when Korea and the U.S. hold financial policy talks.

Through the bilateral talks, the U.S. Treasury Department has pushed Korea's Finance Ministry into announcing a three-stage financial liberalization and market-opening program. So far, MOF has unveiled the first and second stage of the three-stage liberalization program.

But MOF has not made any comment on alleged barriers Korean banks operating in the United States face in the bilateral talks.

A Seoul banker said, the U.S. Treasury Department has been always "offensive" while Korea's MOF has been always "defensive" in the bilateral talks.

He contends why the MOF should hold dialogue with Treasury Department when the bilateral discussion is one-sided in favor of American banks here in Korea and to the disadvantage of Korean banks operating in the United States.

Many Seoul bankers contend that the National Assembly Finance Committee should set up a permanent panel that will deal with eliminating alleged financial barriers in countries where Korean financial services firms operate. The National Assembly should check "undue demands for market-opening from Western countries, including the United States."

They said the No Tae-u administration has been too docile to whatever demands the U.S. Treasury Department has been asking. But many international-minded analysts said, "Without U.S. prodding, MOF would not have taken steps to deregulate the domestic financial market."

It is expected that the Korea Chamber of Commerce in the United States, established last month, will be a forum for Korean banks to demand fair treatment vis-a-vis U.S. banks, analysts here said.

Ministry on Japan's 'Comfort Women' Investigation

SK0607090092 Seoul YONHAP in English
0722 GMT 6 Jul 92

[Text] Seoul, July 6 (OANA-YONHAP)—Japan's investigation into the mobilization of sex slaves, known as "comfort women," for its soldiers during World War II fell short of revealing the whole truth, the Foreign Ministry said Monday.

"We take note of sincere efforts by the Japanese prime minister's office and other related ministries to uncover and investigate the truths about the comfort women," a ministry spokesman said.

"We will review the investigation documents in detail after we receive them in full. But initial review of the materials show that Japan's investigation falls short of revealing the entire truth about the comfort women.

"South Korea expects that the Japanese Government's efforts to find the whole truth will continue," he said.

Japan, after seven months research, admitted Monday that the Imperial Army was involved in mobilizing and operating front-line brothels for Japanese soldiers.

Anywhere between 10,000 and 20,000 Korean women are believed to have been forced into prostitution, along with Chinese and Taiwanese women.

Chief Cabinet Minister Kato Koichi, announcing the investigation results, apologized and expressed regret for all those women, regardless of their nationality, who suffered pain as comfort women.

Korea took note of Japan's apology and regret and hoped the Tokyo government would follow up with concrete and sincere measures in the same line, the ministry spokesman said.

Seoul would issue its own report after reviewing the Japanese and Korean investigations, he said.

Kim Yong-sam, Kim Tae-chung Trade 'Barbs'

SK0507003892 Seoul THE KOREA TIMES in English 5 Jul 92 p 2

[Text] Kim Yong-sam and Kim Tae-chung traded barbs, trying to show who made more contributions in the pro-democracy struggle in a seminar organized by the Korea Political Science Association in a resort hotel in Kyongju, Kyongsang-pukto.

Democratic Party chairman Kim Tae-chung, in a luncheon speech to the seminar Friday, accused his ruling party rival Kim Yong-sam of "giving away the cause for democracy and breaking his promises to the people for his own greed for power."

"Could he lead the nation in the right direction as such a man who abandons his commitment to democracy for his political goal of taking power?" he asked.

The DP presidential candidate, suggested that he should win the December election, saying it has now become an international trend that people support political leaders on the basis of their struggle for democracy as shown in the case of Lech Walesa and Vaclav Havel.

One of Kim Tae-chung's campaign strategies is to stress the difference between himself and Kim Yong-sam, describing his unflinching devotion to democracy and billing the other Kim, who joined the party of President No Tae-u, a retired Army general, two years ago, as a surrender to the military.

He said that the only common denominator between he and Kim Yong-sam is their family name.

Meanwhile, Kim Yong-sam of the Democratic Liberal Party, ascribed the responsibility for a split in the opposition forces in the face of the last Dec. 17, 1987 presidential election to Kim Tae-chung.

In a dinner speech, he said, "The failure to field a single candidate of the opposition to challenge the then ruling party nominee No Tae-u has stemmed from a certain man bolting our party."

'Contradictory' Remarks by Kim Young-sam Examined

SK0507004092 Seoul THE KOREA TIMES in English 5 Jul 92 p 2

[From the "Press Pocket" column entitled: "Contradictory Remarks"]

[Text] Ruling party presidential candidate Kim Yong-sam is now making contradictory remarks by emphasizing the need for stability on one hand while stressing reformative policies on the other.

The oppositionist-turned presidential nominee even let on that he has had differences with President No Tae-u on strategy to win support.

In a meeting with local party members at the training institute at Karak-tong, Seoul, Kim called for stability by saying, "The party should earn more than 50 percent of the votes in the presidential election to form a strong government."

"If the opposition parties come to power, the nation will face serious instability," he added, citing the unstable political and social situation two years ago before the merger of the three parties.

He tried to underline that he is a reform-minded politician when he said, "I would push ahead with reformative policies if elected albeit they are not to be radical ones."

Meanwhile, he denounced Kim Tae-chung of the opposition Democratic Party by saying that he failed to win the presidential elections in 1987 as a politician who bolted from the opposition party to found a new one.

Chong Chu-yong Campaign Focuses on Fixing Economy

SK0507040092 Seoul THE KOREA HERALD in English 5 Jul 92 pp 2, 3

[By staff reporter Choe Sang-hun]

[Text] Chong Chu-yong, an auto repairman?

Yes. After building the nation's second largest conglomerate and recently even a political party, the self-made billionaire now wants to return to the job of his formative years as a businessman. This time, however, he is ready to fix a much larger contraption—but only if he is asked.

In this election year with unprecedented voter discontent with high inflation and sluggish exports, Chong, the presidential candidate of the opposition United People's Party, is offering a tantalizing image of himself for voters to buy: a national auto repairman who will stick his head under the hood to get the economy rolling again.

And he promises to get the job done quick. What kind of politician would dare say he would provide apartments at half the current prices, turn the $10 billion trade deficit into a $30 billion surplus within three years and boost the per capita income from the present $7,000 to $20,000 in five years? Probably, only someone as brash and messianic as Chong.

His feats as a legitimate rags-to-riches hero helped his newborn party win a surprising 17 percent of the vote and 31 seats in the National Assembly polls in March. So, enthused by the result, Chong decided to go all the way.

It is time to take him seriously, to take a closer look at a man whose achievements have been inflated to mythic proportions. He is an embodiment of contradictions: an uncommonly informal and unpretentious guy but also an "authoritarian" boss called "The King Chairman," a staunch advocate of free-market economy but also a leading capitalist crony who made his boodle largely through collusive links with the past repressive regimes.

Suddenly it has become fashionable to call for economic reforms. Seminars and debates are being organized. Basic economic issues have pushed aside other policy debates. Eager to take action before facing angry voters in December, the candidates are rushing forward with quick-fix anti-inflation and anti-deficit measures.

And Chong has always been in the front. He enters the race with straight talk about bread-and-butter economic issues. He has a knack for reducing complex realities to catchy slogans and is given to sweeping statements.

He says he would kill the monster of inflation with a single bullet. "Inflation? It won't cost me a drop of sweat to control it," he told a female shopper while visiting a market place on Cheju Island.

He would save a lot of money and cut taxes by eliminating governmental red tape and abuse. "I can cut government spending by 25 percent by eliminating the influence of special interests and inviting open, competitive tenders for major public projects," he says. He would use part of the savings for national education.

Labor disputes would disappear into thin air. Chong, who was known for his tough relations with the Hyundai unionists, now says the Korean workers are so bright that they deserve higher wages than their counterparts in Japan.

He would be the answer to Japan's corporate samurai. He says he would narrow the trade gap by selling more goods to Japan. And he is the champion of farmers who would never allow foreign giants to stampede into Korean rice paddies.

In short, he snarls, "our economy, once extolled as an Asian dragon, has been reduced to an earthworm, and it is time to restore our reputation." His message is, "Send me up there, and I will get the economy going again."

This can-do spirit and cocky faith in himself appeals to voters who are sick of what they see as gridlock and vacillation. And his pungent straight talk is forcing his presidential rivals toward a more searching debate of the nation's problems.

Economic experts have been divided in evaluating the nation's current economic situation. Nearly everyone agrees that the economy is sputtering. After the heady days of the 1960s and 70s, the economy has recently been hit by high inflation and slow exports. The trade deficit hit an all-time high of $9.6 billion last year.

What the expects disagree on, however, is the cause. The government says the current difficulties are only transitional. Chong and others say all the problems come from the "corrupt" and inefficient government and politics.

"Ruling party lawmakers have thought the economy exists only for politicians, but it is not so," he says.

Chong says the problems can be solved only through a change of government. "Another five-year rule of the Democratic Liberals would drag the economy into ruin," he says.

The government must be run by those who think the main purpose of government is to create a healthy business environment and the nation needs an "economic" president who knows how to get the economy to work, he says.

Chong is running a vigorous pro-business campaign and its message is embodied in his call for a "private sector-led economy"; he wants to get the government off the backs of businessmen.

"The government must remove the regulations obstructing the creative economic activity of entrepreneurs," he says.

His call echoes those of other business leaders who have clashed with the government over what role it should play in the economy as South Korean democracy matures. After decades of remarkable gains through a cozy give-and-take relationship with the past governments, industrialists have chafed under the President No

Tae-u government's heavy-handed control of everything, from what they produce and what prices they charge, to who gets bank loans.

Chong rails against the government for its tight-money policies, which he argues are causing a recent wave of business failures of small- and medium-sized companies.

If elected, Chong says, he would help small businesses by offering special financing and making bank loans more available to them. He says he would lower interest rates to a single-digit figure to match those in Japan, the United States and Taiwan.

"It is the first thing the government should do to reduce production costs and thus increase its international competitiveness," he said in a recent interview with THE KOREA HERALD.

Chong also denounces the government for using credit controls to tame "chaebol" (family-run conglomerates) and collect political funds. "Our bank institutions have been reduced to serving only as the private coffers of the ruling party," he says.

Credit controls are a powerful tool in an economy where money is both tight and expensive. Interest rates hover around 18 percent.

Chong's critics, however, argue that nobody would benefit more from his economic agenda than chaebol owners like Chong himself.

They see Chong's quixotic bid for power as essentially being driven by his enmity toward the No government's economic policies which are unfavorable to chaebol. The 77-year-old tycoon abandoned the management of Hyundai—the giant auto, shipbuilding and construction conglomerate—earlier this year to enter politics.

The critics point out that the government's tight monetary policies are intended to fight inflation but also curb the chaebol's propensity to soak up available funds at the expense of smaller producers.

According to the Office of Bank Supervision, borrowings by affiliates of the 30 largest chaebol rose to $33.7 billion, or some 19 percent of all bank commercial-sector lending, last year.

In his "private sector-led economy," Chong says, prices would be set through free market competition. When the past governments controlled prices, he says, businessmen in the same line of trade united to curry favor with the government instead of trying to improve quality.

In such a laissez-faire environment, however, chaebol, because of their sheer size and weight, would smother smaller, entrepreneurial manufacturers, the critics says.

Yi Chong-chan Discusses Political Future

SK0407133792 Seoul CHOSON ILBO in Korean 1 Jul 92 p 3

[Interview with Democratic Liberal Party lawmaker Yi Chong-chan by reporter Choe Pyong-muk on 30 June at Chungang Hospital in Seoul]

[Text] [Choe Pyong-muk] You have "made a sudden stop" after rushing toward the pursuit of your own policies. There is much speculation about that.

[Yi Chong-chan] At a seminar on 30 May in Yusong, I hinted at my departure from the Democratic Liberal Party [DLP], saying that there was no room in the DLP for nonmainstream members to carry out activities. However, Executive Chairman Kim Yong-sam told me that he was willing to allow the presence of nonmainstream members. This deprived me of a good reason to depart. Moreover, I could not find an appropriate person to fill the chairmanship of the national alliance [kungminyonhap]. Therefore, I hesitated to choose between departing or staying.

[Choe] The last visit to your office in Kwanghwamun on 26 June confirmed your decision to stay in the party. At what point did you yourself decide to stay?

[Yi] Executive Chairman Kim appeared when I was meeting with Daewoo Group Chairman Kim U-chung on 23 June. Executive Chairman Kim said that he was willing to allow the presence of nonmainstream members. I told him that it would be good if Chairman Pak Tae-chung were appointed executive chairman. Executive Chairman Kim asked me to help him, saying that the country needs a strong president because of the need to stabilize the economy. When I pointed out the unfairness in the competition to elect the party's presidential candidate, he asked me not to discuss that matter because it is a bygone matter and again asked me to help him. As a matter of fact, I was shaken a bit at that time. Executive Chairman Kim and I had extensive discussions. Still, at that time, the possibility of whether I would leave or stay was 50-50. Then, the next day, the media went a step further than the actual situation, thus making my "stay" an accomplished fact.

[Choe] People speculate that, contrary to what you have just said, the shortages of money and people were more important reasons for you to stay.

[Yi] Our shortage of money was not a decisive reason. Many people insisted that we resolutely leave even though we may have had money shortages. Rather, I had difficulties in finding a person to fill the chairmanship.

[Choe] Whom did you contact to find a person to fill the chairmanship?

[Yi] I contacted, directly and indirectly, former Prime Minister Kang Yong-hun and former Korea University President Kim Chun-yop. Former Prime Minister Kang told me: How can I, as a person who served as prime minister in the Sixth Republic, choose a different road at a time when I know very well whom President No Tae-u supports? Negotiations with former Korea University President Kim did not go well.

[Choe] Would you elaborate on your preparations for forming the national alliance?

[Yi] Regional organizations almost have been established. Many people signed on. I was originally planning to leave the DLP on 30 June or 1 July and form the national alliance immediately afterward. Therefore, I was fully prepared.

[Choe] It has been learned that Chairman Kim U-chung played a significant role in your decision to stay.

[Yi] Chairman Kim sympathized with my idea on new politics. I have personal relations with him. I gained the impression that President No and other people asked him to persuade me not to run for the presidency this coming December. I can understand Chairman Kim's agony.

[Choe] Whom did you meet before your meeting with Chairman Kim?

[Yi] I met with [Agency for National Security Planning] Director Yi Sang-yon, DLP floor leader Kim Yong-ku, and the then Labor Minister Choe Pyong-yol. Generally speaking, they asked that I restrain myself because otherwise, our society, which has been stabilizing since 1987, may collapse. Some even asked me to retire out of love for the country.

[Choe] You asked Executive Chairman Kim to have Pak Tae-chun appointed as executive chairman and to have the elections for mayors of Seoul and municipalities and for provincial governors held before the end of this year. Do you think that this is possible?

[Yi] I did not discuss this matter, because Executive Chairman Kim asked me to leave it to him because of its sensitivity. I do not think that it is absolutely impossible.

[Choe] Many people speculate that Executive Chairman Kim "secretly promised" you a party post or candidacy for the next presidential election.

[Yi] I heard from the Executive Chairman Kim camp that it is acceptable for me to request some share of the party posts. I do think that such a promise would be kept and that opposition party-style negotiations are not desirable. There is no secret promise.

[Choe] It has been learned that you promised to make efforts for the DLP to regain power. Does this mean that you would join Executive Chairman Kim's election campaign?

[Yi] I have not expressed my intention to help Executive Chairman Kim help the DLP regain power. We have much time. We will watch Executive Chairman Kim in July and August and will decide on our course after that. The report that I have reserved my decision is appropriate.

[Choe] Does that mean that your present position may change at that time?

[Yi] I cannot tell at this time. Everything depends on whether Executive Chairman Kim's promise to accept the presence of nonmainstream members will be fulfilled.

[Choe] What will become of the "association for new politics?"

[Yi] I have abandoned the national alliance, not the association for new politics. Meetings have already been scheduled to inaugurate some of this association's municipal and provincial chapters. Regional chapters will be formed as scheduled, after I return from a regional tour. A chapter will be established in Pusan, as well.

[Choe] You have called for breaking the two-Kims structure with new politics on one hand and have virtually "surrendered" to Executive Chairman Kim Yong-sam on the other. Have you given up your demand for breaking the two-Kims structure?

[Yi] Breaking the two-Kims structure, which is based on regionalism, with new politics is my unchanging belief. I intended to form the national alliance to break the two-Kims structure. I will carry out the movement toward that direction on a long-term basis.

Burma

Army Clears Pangsau of Kachin Insurgents 2 Jul

BK0207152192 Rangoon Radio Burma in Burmese 1330 GMT 2 Jul 92

[Text] The State Law and Order Restoration Council has suspended offensives against the terrorist insurgents. Taking advantage of the suspension of offensives by the defense services, the KIA [Kachin Independence Army] terrorist insurgents launched a surprise attack on Nanyun and Pangsau camp in the Northern Sagaing Division on 5 June 1992.

Defense services columns, which are always ready to defend the lives and livelihood of the people, went to the respective regions and launched a counteroffensive. Nanyun was cleared of insurgents on 13 June 1992 and Pangsau camp today, 2 July.

It has been learnt that defense services columns are in pursuit of the fleeing KIA terrorist insurgents.

Thai 'Sources' Dismiss Rumor of Deposed Khun Sa

BK0107045692 Hong Kong AFP in English 1012 GMT 30 Jun 92

[Text] Bangkok, June 30 (AFP)—Claims that drugs warlord Khun Sa has been deposed in an internal power struggle were dismissed Tuesday by Thai military sources.

They said there is little doubt that Khun, 58, considered the world's largest heroin trafficker, is still firmly in charge at his headquarters in Burma's Shan State.

Reports that Khun Sa had been overthrown surfaced earlier this month when Shan nationalists announced that a special committee had been set up to be responsible for all political, military, and economic policies.

The statement, signed by the Shan State Restoration Council, made no mention of Khun Sa, shaking off suggestions the man branded the "Prince of Death" by the United States Government had been overthrown.

Narcotics agents tracking Khun Sa said Tuesday that they suspected the statement was simply a way to try to take the spotlight off opium baron who at one time openly courted the world's press and television.

"Khun Sa has done this sort of thing by setting up a people's committee to make it look as if he had faded into the background and that the people were deciding policy," said one agent.

"There is very little doubt that Khun Sa is still firmly in control of his well-armed Maung Tai Army (MTA) and it is he who still pulls the stings," added the agent.

Khun Sa, who has held a vice-like grip on the world heroin trade for almost 25 years and claims to have 20,000 men under arms, was indicted by the Americans in 1990. At the time U.S. narcotic agents threatened to "go after him if he can be located," and sources suggest Khun Sa may now believe the Americans may attempt an operation against him.

"For over a year he has been keeping a very low profile. Before, he would invite journalists to his camp and happily pose for photographs. Now he remains out of sight," said one agent.

"This statement by the Shan State Restoration Council seems to be just another way for Khun Sa to move further back into the shadows in the forlorn hope he will somehow be forgotten," added the agent.

Government Drug Suppression Activities Continue

2.305 Kg Raw Opium Seized in Loikaw

BK0207150592 Rangoon Radio Burma in Burmese 1330 GMT 2 Jul 92

[Text] The state government has been performing narcotic drugs suppression activities as a national duty with increased momentum on all fronts. Military intelligence personnel received at tip off, and on 22 June, saw two suspicious-looking persons on a bicycle coming from Hteingapya village toward Loikaw golf course. The defense services personnel stopped the two persons and interrogated and searched them.

The defense services personnel seized nine packets of raw opium weighing 12.305 kg from a bag they were carrying.

The two arrested were U Po Maing, 41 years, son of U Nyo from 6th Mile Sanpya Village, Loikaw, and U Maung San, 45 years, son of U Lun.

Authorities concerned are taking legal action against them under the Narcotic Drugs Law.

8.676 Kgs Opium Seized 30 Jun

BK0407093392 Rangoon Radio Burma in Burmese 1330 GMT 3 Jul 92

[Text] The state government has been performing narcotic drugs suppression activities as a national duty with increased momentum on all fronts. Military intelligence personnel received a tip off that narcotic drugs were being sold in Saungpaulu village, Pankan village tract, Loikaw Township. They searched a suspected house in that village on 30 June. They arrested two villagers, who were there to sell drugs, with five packets of opium weighing 8.676 kgs in their possession.

The two arrested were U Lakhaing, son of U Khaing from Saungpaulu village, Pankan village tract, Loikaw Township, and U Kathapo, son of U Daik, Dongnga Khar village, Demawso Township.

Authorities concerned are taking legal action against them under the Narcotic Drugs Law.

Brunei, Malaysia & Singapore

Malaysia

Registration of Opposition Front Approved

BK0207121992 Kuala Lumpur BERITA HARIAN in Malay 27 Jun 92 p 2

[Text] Kuala Lumpur, Friday—The Registrar of Societies has approved the request of opposition parties to establish the "Gagasan Rakyat" ["People's Scheme"], Spirit of 46 Party President Tengku Razaleigh Hamzah said today.

A registration certificate was received last month after the request was approved by the Registrar of Societies in April, he told BERNAMA at his office here.

Tengku Razaleigh said that he would convene a meeting of the opposition parties at an appropriate time to formulate a program and unveil the symbol of the front.

He said that the front grouped seven parties—the Spirit of 46 Party, the DAP [Democratic Action Party], the Indian Progressive Front (IPF), the Malaysian People's Party (PRM), the Malaysian Solidarity Party (MSP), Hamim [Muslim Party of Malaysia], and the Malaysian Indian Muslim Congress (KIMMA)—and was confident that several more parties would join the front later.

All leaders of these parties, except those of the Hamim and the KIMMA, jointly launched the "Gagasan Rakyat" on 10 October 1990, 11 days before the general election to counter the National Front, but their registration request had not been approved.

Some of the opposition parties used their respective symbols in the general election, while those unknown to the public "borrowed" the symbols of better known parties such as the Spirit of 46 Party and the DAP.

The National Front won 127 seats of the 180 parliamentary seats to secure a two-thirds majority. The DAP won 20 seats, the Sabah United Party (PBS) 14 seats, the Spirit of 46 Party eight seats (two of them, however, later joined the National Front), the PAS [Pan Malaysian Islamic Party] seven seats, and independent candidates four seats.

"With the registration, opposition parties will be more united in facing the next election," Tengku Razaleigh Hamzah said.

He said that although the PAS did not join the Gagasan Rakyat, this did not mean that opposition parties were uncooperative.

"The Spirit of 46 Party and the PAS, for example, are not separated because we are united under the Islamic Unity Front," said Tengku Razaleigh who is also MP for Gua Musang.

The PAS and the DAP, too, will not fight against each other despite their different struggles because the former concentrates on the majority Malay rural areas.

Islamic Front Registration Welcomed

BK0207151192 Kuala Lumpur Radio Malaysia Network in Malay 1430 GMT 2 Jul 92

[Text] Kelantan Chief Minister Haji Nik Aziz Nik Mat welcomes the registration of the Islamic Unity Front [grouping the Spirit of 46 Party and the Pan Malaysian Islamic Party or PAS] and hopes that it will unite Muslims. Haji Nik Aziz, who is also head of the PAS Ulemas Council, thanked the central government, describing the decision as timely since the Muslims in the country are commemorating the Hegira New Year. Deputy Home Affairs Minister Datuk Megat Junid Megat Ayob said in Kuala Lumpur today that the Registrar of Societies had approved the registration of the Islamic Unity Front as well as the People's Scheme [another front grouping seven opposition parties].

Democratic Action Party Said Closer to PAS

BK0407084292 Kuala Lumpur NEW STRAITS TIMES in English 3 Jul 92 p 14

[Text] Kota Baharu, Thurs.—Menteri Besar [Chief Minister] Nik Abdul Aziz Nik Mat said today the DAP [Democratic Action Party] has reached a turning point where it could no longer regard PAS [Pan Malaysian Islamic Party] as its enemy.

He said the DAP has changed significantly from regarding PAS as its rival into almost accepting the party as a potential ally.

This could be seen through the DAP's support of the various policies implemented by the PAS-led Kelantan Government when Secretary General Lim Kit Siang visited the state earlier this year, he told reporters after presenting keys to buyers of Taman Desa Kemumin housing projects.

Nik Aziz, who is also PAS Ulamak [Council of Muslim Scholars] chief, said Lim was able to disprove the allegations made by MCA [Malaysian Chinese Association] and Gerakan [Malaysian People's Movement] that non-Muslims in the state were suppressed.

When asked to comment on Lim's rejection of PAS's Islamic policy, he said it all boiled down to the DAP's misunderstanding of Islam.

He was confident the DAP would be able to accept Islam as addeen (a way of life) if the latter was willing to discuss the matter with PAS.

UMNO Urges 'Strong Action' Against Unionists

BK0407092792 Kuala Lumpur NEW STRAITS TIMES in English 3 Jul 92 p 3

[Text] Melaka, Thurs.—UMNO Youth chief Datuk Seri Najib Tun Razak has called on the Government to take strong action against Malaysian Trades Union Congress [MTUC] leaders for allegedly attempting to sabotage the country's economy.

He said the Government should also review the overall position and role of the MTUC.

"Let's dig into their affairs, probe their accounts and gather all the evidence to nail these leaders," he said when opening the Kota Melaka UMNO youth delegates meeting here last night.

Najib said the move was important because the union leaders had tarnished the Government's image at a time when the country was enjoying an economic boom.

He said these leaders had first sought to get Malaysia to lose trade privileges under the United States' Generalised System of Preferences (GSP)

After that, they had conspired with the International Metal Workers Federation to run down the country's labour policies, he added.

Such acts, he said, warranted the strongest possible action by the Government.

On UMNO Youth, Najib said the movement's role had changed over the years to move with the times, singling out its frequent despatch of protest notes to some foreign embassies.

Government, Malay Rulers Sign Code of Conduct

BK0507095092 Kuala Lumpur Voice of Malaysia in English 0600 GMT 5 Jul 92

[Text] The federal government expresses its thanks to the Royal Highnesses of Malay rulers for agreeing to the proclamation of principles. Finance Minister Datuk Sri Anwar Ibrahim is confident that the proclamation will further enhance the principle of constitutional monarchy and strengthen relations between the Istana [Palace] and the government and ensure effective government's administration and well-being of the people.

He said this to newsmen after the signing of the proclamation at the Istana Negara [State Palace] in Kuala Lumpur. The proclamation resulted from a series of discussions between representatives of the UMNO [United Malays National Organization] Supreme Council and the rulers and between them and the government. The 10-point proclamation had the consent of His Majesty the Yang Dipertuan Agung [Paramount Ruler] Sultan Azlan Shah, the Royal Highnesses the Raja of Perlis, the Yang Dipertuan Besar Negeri Sembilan, the Sultan of Pahang, the Sultan of Selangor, the Sultan of Terengganu, and the Regent of Perak. The Keeper of the Rulers' Seal, Engku Datuk Ibrahim Engku Ngah signed the proclamation on behalf of the Malay rulers. The ceremony was witnessed by Prime Minister Datuk Sri Dr. Mahathir, the mentri besar [chief minister] of the six states, and senior UMNO leaders.

Replying to a question pertaining to the rulers who have yet given their consent to the proclamation, Datuk Sri Anwar said the government hopes to have an audience with the Royal Highnesses the Sultans of Johor and Kedah on the matter, while His Royal Highness the Sultan of Kelantan had issued a statement that he did not want to accept it. He said though the proclamation was not a legal document, it was still very important as it contained constitutional principles taking the commitment of the rulers and the responsibility of the government.

Embassy in Belgrade Downgraded to Chancellery

BK0307090892 Kuala Lumpur BERNAMA in English 0828 GMT 3 Jul 92

[Text] Kuala Lumpur, July 3 (OANA-BERNAMA)—Malaysia has decided to downgrade its embassy in Belgrade to a chancellery, Foreign Minister Abdullah Ahmad Badawi said Friday.

He said the cabinet made the decision Wednesday after finding that it was not appropriate for Malaysia to have an embassy in the new Yugoslav federation because Belgrade still opposed the United Nations peace effort in Bosnia.

Malaysia also fully supported the UN deployment of troops to ensure that all assistance like food and medicine reached the people of Bosnia, he said.

He said Malaysia welcomed the United States decision to help ensure the smooth implementation of all efforts to channel assistance to Bosnia and the enforcement of the UN resolution on the matter.

Malaysia gave its support as long as the U.S. decision was in line with the UN resolution and all countries must act within the framework of the UN cooperation, he said.

Malaysia did not regard Belgrade as successor to the old Yugoslav federation and as such its participation in the UN must be applied for and reconsidered, he added.

Abdullah said Malaysia would not accord Belgrade recognition as long as there was no agreement on the matter from all the newly-emerged states, including Bosnia.

Belgrade would also have to first abide by the UN resolution.

Abdullah said the cabinet was prepared to consider it if there was a UN request for Malaysia to send troops to Bosnia for peacekeeping purposes although the country was now concentrating on peacekeeping efforts in Cambodia.

Singapore

Brig. Gen. Lim Neo Chian Appointed Army Chief

BK0207111092 Singapore THE STRAITS TIMES in English 2 Jul 92 p 26

[Excerpt] Mobilising the regular corps of officers and warrant officers to serve as fighting-fit examples for the rest of the army is a priority for the service's new chief, Brigadier-General Lim Neo Chian.

Brig. Gen. Lim, who was appointed Chief of Army yesterday, said that raising fitness levels in the army and attracting and retaining quality people will be his main concerns for the next two years.

Speaking to reporters after a reservists' re-dedication ceremony at Hyatt Regency, Brig. Gen. Lim, who was previously the Chief of General Staff (Army), said he would be looking into the quality as a whole of the army's personnel, both active and reserve. [passage omitted]

Cambodia

SNC Working Session Fails To Break Deadlock

BK0307123592 (Clandestine) Voice of the Khmer in Cambodian 1059 GMT 3 Jul 92

[Text] Phnom Penh SPK, July 3—The working session of Cambodia's Supreme National Council [SNC], held here yesterday afternoon, failed to break the deadlock over the Khmer Rouge refusal to lay down its arms and cooperate with the UN peacekeepers.

The Khmer Rouge nominal leader Khieu Samphan, who arrived here earlier the same day and who met for about 10 minutes with the United Nations Transitional Authority Chief Yasushi Akashi prior to the session, still maintained the position of his party proposal presented last weekend on the enlarged role of the SNC along with the question of the existence of the government during the transitional period.

Yesterday's working session lasted an hour and 45 minutes with UNTAC chief Yasushi Akashi convening the meeting to discuss concessions proposed in a "nonpaper" at a Tokyo conference last week of the Khmer Rouge and other signatories of last October's Paris peace accord.

Akashi had set Thursday as the deadline for the Khmer Rouge to join the disarmament and demobilization phase of the peace plan or face international condemnation.

At the beginning of the session, the UNTAC chief read the letter from Prince Norodom Sihanouk expressing his regret for not being able to attend. He would write back to the prince, wishing him a prompt recovery and a speedy return, he said.

Yasushi Akashi also expressed his appreciation to the parties and armed forces who cooperate with UNTAC, saying that he was particularly impressed during his visit two days ago to the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] cantonment site by the faction's commitment to the peace process. He stated that the cantonment process was progressing even though not in a satisfactory manner because of the unstable security situation.

At this stage, 9,693 troops have been cantoned and registered throughout Cambodia with 8,360 from the party of the State of Cambodia, 561 from FUNCINPEC, and 792 from the KPNLF [Khmer People's National Liberation Front]; none of the Khmer Rouge troops was cantoned.

It was agreed at the end of the meeting that Mr. Yasushi Akashi would hold further talks with Khieu Samphan to discuss the text of the nonpaper, and it was hoped that they will reach mutual understanding on the implementation of the Paris peace agreement.

It was agreed that the next SNC meeting scheduled for July 6 would be rescheduled for a later date and subject to the approval of Prince Sihanouk.

Khmer Rouge Communique on Transition Government

BK0507004892 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 4 Jul 92

["3 July 1992 Communique of the Party of Democratic Kampuchea"—read by announcer]

[Text] His Excellency [H.E.] Khieu Samphan, chairman of the Party of Democratic Kampuchea [PDK] and member of the Supreme National Council [SNC], met with H.E. Yasushi Akashi, special representative of the UN Secretary General and chief of the UN Transitional Authority in Cambodia [UNTAC], on the afternoon of 2 July 1992 prior to a working meeting chaired by the special representative at the UNTAC offic.

In the talks with the special representative, H.E. Khieu Samphan talked about the PDK 27 June proposal which says in the first point that during the transitional period, there should not be any government in Cambodia; there should be only the SNC, UNTAC, and the existing administrative structure.

H.E. Yasushi Akashi recognized that this view is correct and is in accordance with the Paris agreement.

At the 2 July 1992 working session, H.E. Khieu Samphan recalled the two points in the PDK proposal of which the first is the most important. H.E. Khieu Samphan also told the meeting that H.E. Yasushi Akashi also specified H.E. Khieu Samphan's view that during the transitional period there should not be any government, only the

SNC, UNTAC, and the existing adminsistrative structure. H.E. Khieu Samphan added that the talks with H.E. Yasushi Akashi will resume soon on the PDK proposal.

The PDK would like to take this opportunity to point out that according to the basic principle of the Paris agreement, the following should not be present in Cambodia:

1. Prime minister, deputy prime ministers, ministers, deputy ministers, ministerial or government posts [damnaeng knong kanak ratmontrei roe knong rathabhibal];
2. Honorary president or any other president;
3. National Assembly and Senate;
4. No state or governmental identity such as national flag, emblem, and anthem.

During the transitional period only the following should be present in Cambodia:

1. The SNC chaired by His Royal Highness Prince Norodom Sihanouk, head of state;
2. UNTAC;
3. A national flag, that of the SNC;
4. A national anthem, that of the SNC;
5. The existing administrative structure of the four Cambodian parties, which should be under UNTAC supervision or administration;
6. Only the four Cambodian parties whose names are clearly spelled out in the 19 February 1992 report of the UN secretary general to the UN Security Council. These are the People's Party [kanakpak pracheachon] (paragraph 114 of the report); the PDK [pheakki kampuchea prachea thipatai] (paragraph 117); the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia or FUNCINPEC (paragraph 118); and the Khmer People's National Liberation Front [KPNLF] (paragraph 118);
7. Other Cambodian parties to be set up before election.

During the transitional period, only the SNC represents Cambodia abroad and not any other authority or government called the State of Cambodia. Acting this way is completely against the Paris agreement, which says in Article 3 that the SNC is the legitimate and sole source of power in Cambodia representing Cambodia's sovereignty and national unity during the transitional period.

The PDK proposes that a commission be set up with all four Cambodian parties as members and UNTAC as chairman to proceed along this principle.

Khmer Rouge on Phnom Penh Policies, Hor Namhong

BK0407044092 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 3 Jul 92

[Unattributed commentary: "Public Opinion Welcomes the New Two-Point Key Proposal of the Party of Democratic Kampuchea, but the Vietnamese Aggressors and Puppets Immediately Reject It"]

[Text] Public opinion in general holds that the new two-point proposal of the Party of Democratic Kampuchea [PDK] is a reasonable and correct proposal in accordance with the 23 October 1991 Paris agreement. This two-point key proposal calls for:

1. Control to ensure that all types of Vietnamese aggressor forces are withdrawn from Cambodia and that these forces do not return to Cambodia; and
2. Measures to enable the Supreme National Council [SNC] to fulfill its role as the legitimate government and sole source of power in Cambodia during the transitional period.

On this proposal, public opinion agrees that the SNC should play an active role and cooperate with the UN Transitional Authority in Cambodia [UNTAC] in implementing the Paris agreement. In this sense, there should be no administration other than UNTAC and the SNC during the transitional period.

Hor Namhong, Vietnam's puppet in Phnom Penh, loudly and immediately rejected this two-point key proposal. What are the reasons for this immediate rejection by the Vietnamese aggressors' puppets? The immediate rejection clearly shows the true nature of these people as servants of Vietnam serving its policy of aggression and occupation of Cambodia.

Vietnam needs to maintain this regime to cover up the policy of aggression and annexation of Cambodian territory in accordance with Vietnam's Indochinese Federation strategy. Thus, these people do not need Cambodia to have peace, independence, and sovereignty. They do not need the Cambodian people to exercise their right of self-determination. They do not need national reconciliation. On the contrary, they need to maintain Vietnamese aggressor forces in Cambodia to prop up the puppet regime, and through the latter enable Vietnam to continue occupying Cambodia.

This is completely against the 23 October 1991 Paris agreement. It is immoral and against the UN Charter. It is against the universal declaration on human rights and against the Cambodian people's right to self-determination. Thus, what is the status of these people? They are out-and-out lackeys of the Vietnamese aggressors; they are puppets of the Vietnamese aggressors selling off the country and nation.

The Cambodian nation and people and the entire Cambodian national resistance forces need national reconciliation so Cambodia can regain genuine peace and independence. This is why the Cambodian nation and people and the national resistance forces agree to let the Vietnamese aggressors' puppets be in the SNC in order to achieve national reconciliation.

If those who have previously served the Vietnamese aggressors agree to return to the fold, the Cambodian nation and people and the Cambodian national resistance forces will be happy to welcome them. If, however, these people continue to oppose the Paris agreement and continue to serve the Vietnamese aggressors' policy, they are simply Vietnam's puppets and lackeys and also traitors selling off Cambodian territory to the Vietnamese aggressors. In this case, the Cambodian nation, people, and national resistance forces not only cannot accept these people, but will also categorically oppose them.

Reiterates Stance on Cease-Fire Phase

BK0507014292 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 4 Jul 92

[Unattributed commentary: "When Can the Cease-Fire's Second Phase Be Genuinely and Properly Implemented?"]

[Text] People keep asking why the resistance forces, particularly the Democratic Kampuchea forces, have demanded that everyone quickly take part in the cease-fire's second phase by:

1. Controlling and ensuring that all types of Vietnamese forces are withdrawn from Cambodia; and
2. Having the Supreme National Council [SNC] play an active role as a legitimate and the sole source of power in Cambodia during the transitional period and cooperate closely with the UN Transitional Authority in Cambodia [UNTAC].

Only when UNTAC and the SNC play a genuine role to ensure that all Vietnamese aggressors are withdrawn from Cambodia can there be a neutral political atmosphere, national reconciliation, and free, democratic, and fair election. The Vietnamese aggressors, Vietnam's puppets, and a number of bad people have taken a devious stance. They want to do everything at will; they want to attack others and at the same time grossly announce the start of the cease-fire's second phase by:

1. Not ensuring that all Vietnamese aggressors are withdrawn from Cambodia;
2. Preventing the SNC from having any role; and
3. Maintaining and defending the Vietnamese aggressors and Vietnam's regime and allowing them to continue administering Cambodia.

These people want to organize elections within the framework of Vietnam's puppet regime to the point of allowing Vietnamese to vote in Cambodia. Why are these people doing this? They do have a definite goal to destroy the resistance forces, particularly the Democratic Kampuchea forces, in order to maintain Vietnamese aggressor forces and the Vietnamese aggressors's puppet regime. A number of bad people have collaborated with the Vietnamese aggressors and the puppets in Phnom Penh to squeeze at will the throat of the Cambodian nation and people and the Cambodian national resistance forces.

In practice, this would result in Cambodia being Vietnamized like Kampuchea Kraom [former Cambodian territory now part of south Vietnam]. The Cambodian nation and people and the Cambodian national resistance forces absolutely cannot accept this. The Cambodian nation and people and the Cambodian national resistance forces will continue to strive to genuinely implement the 23 October 1991 Paris agreement.

During the transitional period in Cambodia, there should be only UNTAC and the SNC; the Vietnamese aggressors have no state authority whatsoever. UNTAC and the SNC jointly should control and ensure that all Vietnamese aggressors are withdrawn from Cambodia. UNTAC and the SNC should do everything in Cambodia and organize elections in a neutral political atmosphere throughout Cambodia.

Only in this way can the Cambodian people express their views in order to decide their destiny themselves. The Cambodian people see no reason to ignorantly vote in the Vietnamese aggressors' regime to legitimize the puppets of the Vietnamese aggressors. The Cambodian people have a valiant and courageous fighting tradition; they will not let anyone do anything at will.

Looking at Cambodia, please do not look at this or that person. Look at the Cambodian nation and people as a whole. The Cambodian people would like to pass this on to those who dare to look down on the Cambodian people: You will certainly be opposed by the Cambodian people.

Leaders Comment on Khmer Rouge Noncooperation

Sihanouk—No 'Effective Influence'

BK0607124692 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 6 Jul 92

["Statement by His Royal Highness Prince Norodom Sihanouk"; dated 5 July in Beijing—read by announcer]

[Text] On 8 July 1992 from 1500 at the royal palace in Phnom Penh, I and His Excellency [H.E.] Yasushi Akashi will, as cochairmen, preside over a meeting of the Supreme National Council [SNC] with high-ranking delegates of the UN Transitional Authority in Cambodia [UNTAC]. The agenda of this meeting will be set by UNTAC headed by H.E. Yasushi Akashi, an expert and admirable leader.

Due to the most peculiar stance of the Party of Democratic Kampuchea [PDK] concerning a number of issues, such as the role and power of the SNC, the identity of the State of Cambodia, the State of Cambodia's Government, the State of Cambodia's National Assembly and national flag, and the Vietnamese presence in Cambodia; and due to the profound difference in the interpretation of some words in the Paris peace agreement dated 23 October 1991 and the unofficial document in Tokyo dated 22 June 1992—in other words the difference in interpretation between the PDK and UNTAC on the one hand and between the PDK and the State of Cambodia on the other—I do not think that I would have effective influence on the PDK to get the latter to compromise their views on the nature of the above problems with H.E. Yasushi Akashi, UNTAC chief, or with H.E. Hun Sen of the State of Cambodia on 8 July 1992, as well as in the coming days.

Some newspapers are saying that Norodom Sihanouk can make the PDK soften its present stance, which is sadly blocking the process to implement the Paris peace agreement in Cambodia. In reality, I have no influence whatsoever on the PDK, whether moral or political.

Therefore, on 8 July 1992, I am glad to again affirm my full support for H.E. Yasushi Akashi and UNTAC and those who will take whatever measures or decisions to serve well the noble interests of Cambodia and the Cambodian people and the cause of peace.

[Dated] Beijing, 5 July 1992
[Signed] Norodom Sihanouk

Hun Sen Rules Out Latest Demands

BK0507143792 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 5 Jul 92

[Interview of Hun Sen, chairman of the Council of Ministers of the State of Cambodia, by unidentified SPK reporter; date not given—read by announcer]

[Text] [Reporter] What do you think about the Khmer Rouge's latest demands?

[Hun Sen] I have noted that the Khmer Rouge seem to be at a stage of resuming talks to work out a new agreement, but not implementing the signed Paris accord. Because they are raising issues irrelevant to the spirit of the Paris accord as preconditions for their participation in the accord's implementation—they have demanded the dismantling of the existing administrative structure, the framework, the status, the role, the flag, the anthem, and the insignia of each party—they are returning to their defeated position at the Paris international conference in 1989. This is why I said the Khmer Rouge are at a stage of negotiations for mapping out a new agreement, but not at a stage for implementing the accord. I am of the opinion that it will be dangerous if one agrees to discuss the Khmer Rouge's preconditions or accept their demands because:

1. If one agrees to discuss their preconditions, the Khmer Rouge will succeed becausethe agreed discussion will at least show that the Khmer Rouge's preconditions are reasonable. Through this, the Khmer Rouge will delay and avoid the implementation of the accord. More importantly, the second phase of the cease-fire, which is the crucial phase of the success or failure of the accord's execution, will be delayed.

2. If one accept the Khmer Rouge's demands, this means that the Khmer Rouge will achieve a complete victory since they can demand the modification of the content of the Paris accord and this will constitute mankind's most serious defeat in the implementation of the accord in the face of the Khmer Rouge. I believe, however, that the second point will certainly not happen because the UN Transitional Authority in Cambodia [UNTAC] and the international community have come to Cambodia to implement the Paris accord but not to alter the accord or draw up a new agreement.

I have taken note of the fact that the Khmer Rouge's demands are only aimed at [words indistinct] the unique source of authority during the transition. They forget the accord's provision concerning the delegation by the SNC of necessary power to the UNTAC; and with this power the UNTAC should supervise the existing administrative mechanisms so as to ensure a neutral political atmosphere for elections.

I do not understand why have the Khmer Rouge demanded this because the issue was already clarified in writing by the Paris conference cochairmen and the special envoy of the UN secretary general at a meeting in Paris in December 1990. And the matter was again accounted for by the French, Indonesian, and Australian foreign ministers at a meeting in Tokyo on the night of 22 June 1992. Explanations on the issue were also given by His Excellency [H.E.] Yasushi Akashi, special envoy of the UN secretary general, at all recent SNC meetings.

On the issue of the existing administration before the signing of the accord, everyone knows that the administrative structure of the SOC side is made of a great many components, such as the National Assembly, the Council of State, courts, laws—which are not opposed to the Paris accord—the Council of Ministers, institutions under the auspices of the Council of Ministers, and authorities in provinces, cities, districts, wards, communes, and villages in the SOC-controllled regions, which have lately been placed under the UNTAC's control or supervision. And we have also amended laws by (?discarding) regulations contrary to the Paris accord. Chairmen, vice chairmen, ministers, and deputy ministers at all levels are needed to lead and manage the work for the operation of the administrative mechanism. And referring to the accord on the existing administrative structure, which is placed under the UNTAC's control or supervision, it is necessary that those positions and functions exist for our side. I, Hun Sen, do not mind being called chairman of the Council of Ministers, government leader, government head, head of the Phnom Penh administration or SOC, SNC member, son, grandson, elder or younger brother, nephew, and so on. What is important and concrete, however, is that I am performing the task of leading the SOC-controlled administrative structure. I do not object to the people's calling Mr. Khieu Samphan the head of the Party of Democratic Kampuchea [PDK] or Vice President Khieu Samphan if they wish to do so.

In the wake of the dissolution of the tripartite Coalition Government of Democratic Kampuchea, if they want to set up three governments in the regions under their control and appoint hundreds of ministers, I do not object because these are their ways of administration in the zones they control and their administrative structures. In the accord, there is no stipulation for the dissolution of anybody's administrative structure, status, or function.

[Reporter] The Khmer Rouge on 27 June 1992 demanded the establishment of a consultative committee of the SNC within the existing administrative structures. What is your opinion about the demand?

[Hun Sen] Such a proposal contradicts the accord. The accord does not stipulate this issue. It is, however, the UNTAC that should control or supervise the existing administrative structures of all the Cambodian parties. I think that the Khmer Rouge's proposal is to enhance their rights to create obstacles to the process of the existing administrative structures and the verification of the UNTAC. I am of the opinion that anything not specified by the accord should not be done because this would set a bad precedent, encouraging crooked people to demand a modification of the accord—a law that has already been adopted. There is no time left for negotiating legal amendments; the law, that is, the Paris accord, must now be implemented. Otherwise, the Cambodian people will continue to be victimized by the Khmer Rouge's delaying tactics. All in all, a firm stance should be adopted against the Khmer Rouge, and the Cambodian people as well as the Cambodian parties implementing the accord should not be allowed to become victims of the Khmer Rouge's demands or their violations.

Hor Namhong Rejects Demands

BK0507070092 Hong Kong AFP in English 0649 GMT 5 Jul 92

[By Sherri Prasso]

[Text] Phnom Penh, July 5 (AFP)—The Phnom Penh government has firmly rejected the latest calls by the Khmer Rouge to dismantle under U.N. supervision, and says it may be time for U.N. sanctions against the radical resistance faction.

In an interview, Phnom Penh Foreign Minister Hor Namhong said the Khmer Rouge were violating the Paris peace accords, signed last October to end Cambodia's civil war, by refusing to go along with them.

Unless the faction complies soon, he said, the U.N. Security Council will have to take "strong action" including sanctions and freezing the Khmer Rouge's assets.

"I would like to launch an alarm to the international community," he said in the interivew late Saturday.

"The Khmer Rouge killed more than two million people, and they are now destroying the peace accords by imposing more and more preconditions" for their implementation, Hor Namhong said.

"We cannot fall into the Khmer Rouge trap."

The faction has refused to go along with implementation of the peace plan by the United Nations peacekeeping mission and says it won't lay down arms until the role of the Supreme National Council (SNC) is enhanced, the Phnom Penh government dismantled and the withdrawal of all Vietnamese forces verified.

The Phnom Penh government was installed in 1979 by a Vietnamese invasion that ousted the Khmer Rouge from power. Hanoi insists all its forces were withdrawn in 1989.

While the Khmer Rouge maintain there can be no authorities in Cambodia under U.N. supervision except the SNC and wants the Phnom Penh governemnt dismantled, the peace accord calls for the existing administrations to remain in place until elections in May 1993.

The question is whether the Phnom Penh administration is in fact a government, Hor Namhong said.

"You can call us any name you want," Hor Namhong said. "Phnom Penh is not recognized as a government by anybody. We accept this fact, so it is an administration."

In a Saturday radio broadcast, the Khmer Rouge called the U.N. peacekeepers in Cambodia "bad and evil people" who are collaborating with the "Vietnamese aggressors."

Talks between Khmer Rouge leader Khieu Samphan and U.N. peacekeeping chief Yasushi Akashi to mend the rift in interpreting the peace accords ended without agreement Friday.

A second round of talks is scheduled for Monday.

An SNC meeting is scheduled for Wednesday, the day after Prince Norodom Sihanouk returns from Beijing.

Hor Namhong said this meeting will be the Khmer Rouge's last chance to cooperate with U.N. peacekeepers.

"Many people are aware of where the (Khmer Rouge) assets are," he warned.

The radical faction is believed to be making millions of dollars off sapphire and ruby mines in the areas of western Cambodia they control.

Son Sann Says Both Sides Intransigent

BK0307133092 Hong Kong AFP in English 0939 GMT 3 Jul 92

[Text] Bangkok, July 3 (AFP)—The leader of a Cambodian guerrilla faction Friday blamed both the Khmer Rouge and the Phnom Penh government for intransigence and for jeopardising the implementation of the country's peace plan.

Son Sann, the leader of the small U.S.-backed Khmer People's National Liberation Front (KPNLF), reminded all Cambodian leaders that the destiny of the country was in their hands and "the international community is giving them substantial means to shape it".

"They must not miss this golden opportunity," he said in a statement released by his office here.

Former prime minister Son Sann said he "felt deeply disappointed at the continued intransigence of both" the Khmer Rouge and the Phnom Penh government at Thursday's working session of the Supreme National Council (SNC).

The SNC is a reconciliation body made of representatives from all four of Cambodia's political factions. Thursday's meeting, called to hammer out problems over the implementation of the peace plan, ended without agreement.

Son Sann, a member of the SNC, did not attend the meeting because he was in Beijing where he had talks with the neutral SNC chairman Prince Norodom Sihanouk who is currently visiting the Chinese capital.

"(Cambodian leaders) must think of the supreme national interests and be prepared to make concessions," Son Sann said in his statement.

"They must at all cost avoid prolonging the conflict, have full confidence in Prince Sihanouk and follow his advice and guidance at the next SNC meeting in order to overcome the present impasse," he said.

The Khmer Rouge have refused to disarm their troops in line with the second phase of the U.N.-brokered peace plan for the country signed last year. The Marxist faction is refusing to abide by the peace plan until, among other demands, the Phnom Penh government relinquishes certain powers to the SNC and the United Nations.

UNTAC Begins Civil Administrative Control

BK0407032992 Bangkok BANGKOK POST in English 4 Jul 92 p 2

[Excerpt] The United Nations Transitional Authority in Cambodia (UNTAC) has begun exercising control over the civil administration in Cambodia as part of the peace agreement signed in Paris last October, a UN statement said yesterday.

The agreement provides for UNTAC to exercise "direct control" over foreign affairs, national defence, finance, public security and information, said the statement from the United Nations Information Service (UNIS).

"Optional control" will also be asserted over public health, education, agriculture, sea and river fishing, transport, communications and postal administration, distribution and production of energy, waterways and public transport, tourism and public monuments, mines and general administration, the statement said.

UNTAC began activating the "civil administration component" of the Paris agreement on July 1, according to an announcement from the UN Secretary-General's Special Representative for Cambodia, Yasushi Akashi, who also heads the transitional authority.

UNTAC was earlier criticised by the Khmer Rouge and other former resistance groups for delaying its supervision of civil administration in the country and allowing the structure of the Phnom Penh government to prevail.

Three former resistance groups and the Phnom Penh faction are joined in the Supreme National Council (SNC) that works with UNTAC through the transitional period leading to elections expected in April or May.

The Paris agreement called for "direct UN supervision or control" of the five areas "in order to ensure a neutral political environment conducive to free and fair elections."

UNTAC will review laws and regulations governing the various ministries and agencies in order to find out whether they are compatible with the work they undertake "as well as with the objectives and purposes of the Paris Agreement," the UNIS statement said.

A complaints mechanism—known as Inquiries and Investigation—is also to be set up to intervene in cases where disputes cannot be resolved at the local level, it said.

The mechanism is due to be established between July 15 and September 30 this year, under a recommendation contained in a report of the UN Secretary-General Butrus Butrus Ghali, the statement said.

UNTAC has opened provincial offices throughout Cambodia with directors named to all but one of the country's 21 provinces—Preah Vihear in the north. [passage omitted]

Japanese Group Ends UN Mission Investigation

OW0407140892 Tokyo KYODO in English 1350 GMT 4 Jul 92

[Text] Phnom Penh, July 4 KYODO—A Japanese government fact-finding mission completed most of its work Saturday with a visit to airlift and logistics units of a UN peacekeeping team in Cambodia.

"We've learned many things," mission spokesman Takahiro Shinyo told a news conference. "We'll prepare a report to identify areas where Japan can cooperate under the (relevant) law."

Some officials of the UN Transitional Authority in Cambodia (UNTAC) suggested engineering troops to repair roads and vehicles as examples of possible cooperation, he said.

UNTAC chief Yasushi Akashi has asked Japan to consider sending 400 to 700 engineering troops, seven or eight military observers, 75 civilian police members, and 50 election supervisors.

Tokyo is awaiting an official request for cooperation in UNTAC from UN headquarters in New York but "we cannot but respect Akashi's informal request since he is the top UNTAC leader," Shinyo said.

The mission arrived Thursday for a six-day firsthand look at UNTAC operations to lay the groundwork for participation under a controversial law enacted in June.

The law opened the way for Japan to dispatch ground troops overseas for the first time since World War II on UN peacekeeping operations. But it froze participation in military activities pending new legislation to lift the freeze.

'Willingness' To Send Troops Reiterated

BK0607112492 Hong Kong AFP in English 1109 GMT 6 Jul 92

[By Sheri Prasso]

[Text] Phnom Penh, July 6 (AFP)—Japan is ready to send its troops overseas as part of peacekeeping operations in Cambodia as soon as it is formally asked by the United Nations, a spokesman for a Japanese government investigating team said here Monday.

The 15-member military and governmental delegation led by Tatsuo Arima, chief cabinet councillor for external affairs for the Japanese prime minister, spent a week here determining whether it should send Japanese soldiers overseas for the first time since its conquest of Southeast Asia in World War II.

"If we are able to send some units, we would be willing to," delegation spokesman Takahiro Shinyo told reporters at the end of the fact-finding mission.

"We hope to be able to contribute to the strengthening of the United Nations through the participation of Japanese peacekeeping forces," he said.

Japanese troops could leave as soon as the formal U.N. request is delivered to Tokyo, he said.

The delegation met the top civilian and military officials in the U.N. Transitional Authority in Cambodia (UNTAC), as well as Phnom Penh Prime Minister Hun Sen and resistance leader Son Sann. Shinyo said every Cambodian they met welcomed Japanese participation in Cambodia.

"We felt a sense of welcome both on the side of UNTAC and the Cambodian people and government," he said. "It was more than we expected."

"I haven't heard any reservations. To the contrary...we heard many times welcoming message," Shinyo said, emphasizing that Tokyo would not send its forces to a country that did not want them.

UN officials said the Japanese were prepared to send a 400- to 500-member engineering battalion to do reconstruction work under UNTAC's mandate. But Shinyo said Tokyo could by law send up to 2,000 peacekeepers to work in the health, logistical support or election monitoring fields.

"We totally depend on the United Nations for that kind of decisionmaking," as well as the timescale for their deployment, he said.

The Japanese post-war constitution did not allow troops to be sent overseas, but last month the Diet (parliament) passed a law allowing their deployment.

Japan is not particularly concerned about the Khmer Rouge's refusal to cooperate with the U.N. operation in Cambodia, Shinyo said.

"Japanese participation would not be opposed by (the non-participation of) one of the factions," he said.

UNTAC chief Yasushi Akashi met again with Khmer Rouge nominal leader Khieu Samphan Monday to try to work out a compromise that would bring the radical faction into compliance with the peace process.

The process stalled after the Khmer Rouge refused to lay down their weapons and insisted on the dismantling of the Phnom Penh government and an increased role for the Supreme National Council (SNC).

A smiling Khieu Samphan told reporters as he left the meeting that "we are still working."

But a visibly disappointed Akashi reported no progress, saying the two still differed on interpreting "what is meant by existing administrative structures."

The Paris peace accords ending the civil war say the existing administrative structures can remain in place under UNTAC control. But the Khmer Rouge say the Phnom Penh government must be dismantled, with no ministers, flag, national assembly, senate or national anthem allowed.

No further meetings were scheduled before the SNC meeting on July 8, the do-or-die day for Khmer Rouge compliance.

Khieu Samphan in a weekend meeting with Japanese Ambassador to Cambodia Yukio Imagawa sought to assure the Japanese of the Khmer Rouge's sincerity in implementing the Paris accords.

"He said they made some mistakes in past policies between 1975 and 1979," Imagawa said.

The Khmer Rouge genocidal policies during their rule of Cambodia from 1975 until ousted by Vietnamese troops in 1979 left some one million Cambodians dead.

Japanese Envoy Discusses Khieu Samphan Meeting

OW0407135092 Tokyo KYODO in English 1330 GMT 4 Jul 92

[Text] Phnom Penh, July 4 KYODO—Khmer rouge leader Khieu Samphan said Saturday the group made "a great mistake" during its rule of Cambodia in the late 1970s, a Japanese envoy said.

The nominal leader of the radical communist group vowed never to repeat the error, said Japan's ambassador to Phnom Penh, Yukio Imagawa.

Khieu Samphan's comment in a two-hour meeting with the envoy earlier in the day marked the first time he has made such an acknowledgement, Imagawa told a news conference.

The Khmer Rouge of Pol Pot are blamed internationally for killing more than one million Cambodians during a reign marked by widespread purges of people deemed intellectuals, a radical land redistribution, and seclusion from the rest of the world.

The group was ousted in 1979 by Vietnam, which invaded and installed the current Phnom Penh government that the Khmer Rouge and two noncommunist groups oppose.

Imagawa said Khieu Samphan asked Japan to use its influence on Hanoi to get rid of Vietnamese soldiers the Khmer Rouge says remain in Cambodia, Imagawa said.

Vietnam says it has withdrawn all troops.

Khieu Samphan told Imagawa the Khmer Rouge views Vietnam as a geopolitically important neighbor and wants to maintain friendly relations, the envoy said.

But the rebel faction wants Tokyo to use economic aid as leverage to persuade Hanoi to respect Cambodian nationalism and pull out of the country, Imagawa quoted Khieu Samphan as saying.

Khieu Samphan said the Khmer Rouge just wants the three other feuding Cambodian factions and the international community to recognize it as a legitimate party in the country's parliamentary system, Imagawa said.

The Khmer Rouge leader reiterated the group's refusal to join the other factions in disarming on the grounds that the peace process is progressing without the UN Cambodian peacekeeping team taking full control of civil administration from the Phnom Penh government, Imagawa said.

The UN mission is preparing to control five key administrative areas, including foreign affairs, defense, and finance, to ensure a neutral political environment for free elections scheduled before mid-1993.

Imagawa expressed guarded optimism toward a meeting Wednesday of the Supreme National Council, representing the Khmer Rouge, its two noncommunist allies, and the Phnom Penh government.

With the council president, Prince Norodom Sihanouk, returning Tuesday in time for the meeting, the Khmer Rouge "may show some indications to cooperate in disarmament to a certain extent," Imagawa said, adding gradual disarmament might be proposed.

The council met for the first time Thursday since a June 22 international aid conference for Cambodia in Tokyo, attended by all leaders of the four factions.

But Sihanouk, who has been in Beijing for health reasons since the Tokyo conference, did not attend Thursday's meeting, which failed to break the impasse in the peace process.

Chea Sim Leaves for 8-Day Visit to DPRK, PRC

BK0607051592 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 6 Jul 92

["Communique on the Departure of a High-Ranking Cambodian People's Party Delegation for an Official Visit to the DPRK and the PRC"—read by announcer]

[Text] At the invitation of the Central Committee of the Korean Workers Party and the Government of the PRC, a high-ranking delegation of the Cambodian People's Party [CPP] Central Committee led by His Excellency [H.E.] Chea Sim, chairman of the CCP Central Committee and chairman of both the National Asssembly and the National Council of the Kampuchean National United Front for National Reconstruction and Defense, left Phnom Penh on 6 July for the DPRK and the PRC for an eight-day official visit.

Accompanying H.E. Chea Sim were H.E. Chea Soth, Standing Committee member of the CPP Central Committee; H.E. Mat Ly, Standing Committee member of the CPP Central Committee and vice chairman of the National Assembly; and H.E. Kong Sam-ol, member of the CPP Central Committee and vice chairman of the Council of Ministers.

Seeing the delegation off at Pochentong Airport were H.E. Hun Sen, vice chairman of the CPP Central Committee and chairman of the Council of Minister; and their excellencies Standing Committee members of the CPP Central Committee, such as Their Excellencies Bou Thang and Say Chhum, standing vice chairmen of the Council of Ministers; H.E. General Tie Banh, vice chairman of the Council of Ministers and minister of National Defense; H.E. Nguon Nhel, minister of Agriculture; H.E. Sim Ka, chairman of the Phnom Penh Municipality's Party Committee and People's Committee; H.E. General Pol Saroeun, deputy minister of National Defense and chief of the General Staff of the Cambodian People's Armed Forces [CPAF]; H.E. General Ke Kimyan, first deputy minister of National Defense and chief of the CPAF General Political Department; Prince Norodom Chakkrapong, vice chairman of the Council of Ministers; and the members of the CPP Central Committee, ministers, deputy ministers, directors general, deputy directors general, and many other officials and personages.

Their excellencies the representatives of the DPRK and PRC Embassies in Cambodia were also present.

Laos

Foreign Ministry Denies Chemical Weapons Reports

BK0407102592 Vientiane KPL in English 0917 GMT 4 Jul 92

["Lao Foreign Ministry's Stance on the Allegation That Lao Soldiers Are Trained in Chemical Weapons Use"—KPL headline]

[Text] Vientiane, July 4 (KPL)—The Ministry of Foreign Affairs of the Lao People's Democratic Republic has made it clear the stance of the Lao Government over a statement by Thai Supreme Command Spokesman Lt. General Anuson published in BANGKOK POST of June 30, 1992, that recently Lao soldiers have been trained in chemical weapons application. In his statement the Thai lieutenant general also said that "if it is true, we may even lodge a protest."

This statement by Lt. Gen. Anuson drew a great deal of the public attention. On July 1, 1992, Lao Ambassador to Thailand Bounkeut Sangsomsak gave an interview to the Thai mass media categorically denying such a groundless news report.

In addition, the Lao ambassador was instructed by the Lao Foreign Ministry to meet with the Thai military authority and the Thai Foreign Ministry's authority to get informed about the intention of the speaker because his words were seen unconstructive to and did not at all help promote the existing good relations between the two countries. Particularly, this news report came about shortly after the last month's historic visit to Laos by the Thai crown prince.

Moreover, this statement also would cause doubt and misunderstanding between the two sides. As a matter of fact, in the relations between the military authorities of the two sides there are the joint military committees for border stablity and security. Thai Lt. Gen. Anuson could raise the issue for discussion in these committees.

On July 2, 1992, Mr Alounkeo Kittikhoun, director of the Lao Foreign Ministry's International Organisations Department summoned to the ministry the Thai ambassador to Laos, Nikhom Tantemsap, to clarify the issue and to inform the Thai Government about the Lao Government's stance and concern over the Thai lieutenant general's groundless statement.

The Lao Government strongly affirms that Lao soldiers have never used chemical weapons and have neither the capacity to have such weapons in their possession nor invited military experts from any country to conduct a military training in this field in Laos.

Commentary Views Thai 'Accusation'

BK0307103192 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 3 Jul 92

[3 July PASASON commentary: "Accusing Each Other Is Not the Right Way To Solve Problem"]

[Text] Respected listeners, the Voice of America and Australian radios reported on 29 and 30 June 1992 that Thai military officers said they are taking action to investigate facts about news reports that Lao soldiers are engaging in combat training on the use of chemical weapons along the areas bordering Thailand and that the Lao soldiers were being trained in chemical warfare by Cuban and Vietnamese experts. The same news sources further indicated that a spokesman of the Thai Army also said: If the chemical warfare training poses a threat to Thailand, the Thai Government will then officially file a protest to the Lao Government.

Based on these reports, it seems that the Thai military has serious enough doubts over the accusation against the Lao side that the Thai military will investigate the issue. Looking at one side, it is right for the Thai side to do so. But to further promote the mutual understanding and enhance the long-standing relations of fraternity and neighborliness, it is more appropriate to allow the authorized sectors of both sides do their job.

As we are well aware, the two countries—Laos and Thailand—have set up the Lao-Thai and Thai-Lao joint committees, which have the duty of maintaining peace and order along the common border. These committees have all along carried out activities together to fulfill their duty when any problems, which ran counter to the aspirations of the peoples of the two countries, occured. These actions resulted in bringing about considerable tranquillity to the common border. Appropriate officials of the two countries have jointly taken action and effectively settled problems pertaining to certain disturbing events, which occasionally took place in certain border areas. Examples of the problems are the recent acts conducted by a number of ill-intentioned elements in organizing robbers to disturb the peace and tranquillity of the people at Vang Neua, Don Hiang, and Paksat villages in Sanakham District, Vientiane Province. The above acts of the two sides, particularly the achievements in the recent past by the general border peacekeeping cooperation committees and the joint border committees, have conformed to the aspirations of the peoples of Laos and Thailand, particularly those residing along the border areas.

Taking into consideration the atmosphere of friendship between Laos and Thailand in the new stage, it would be better for the Thai military personnel to bring the rumor to the attention of the Lao side. Joint discussion could take place regarding the statements broadcast by Australian and Voice of America radios, which possibly could lead to authorization for the joint border peacekeeping committees or other appropriate officials to learn the facts of the issue. This would be a more appropriate solution in view of the fact that the Lao and Thai peoples are fraternal peoples, who have maintained good relations since ancient times. Understanding this fact, the Lao and Thai peoples have always wanted to see the extensive Lao-Thai border turned into a border of peace and tranquillity so that they can exchange visits and together carry out trading activities on the basis of mutual benefits.

For this reason, both peoples of Laos and Thailand are convinced that the mutual understanding and trust between the two countries and peoples will be increasingly promoted and strengthened and be maintained forever.

Kaysone, Phoun Greet U.S. Counterparts on 4 Jul

BK0507024492 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 5 Jul 92

[Message of congratulations from His Excellency Kaysone Phomvihan, president of the Lao People's Democratic Republic, to His Excellency George Bush, president of the United States, on the occasion of the 216th U.S. Independence Day—dated 2 July]

[Text] Your Excellency Mr. President, on the occasion of the 216th anniversary of the U.S. Independence Day, on behalf of the Lao people, and in my own name, I would like to extend my congratulations and to convey the best wishes for happiness and prosperity for the American people to you. I hope that our two countries will continue to further promote the developing relations for the benefits of the Lao and American peoples as well as for lasting and peaceful cooperation between the LPDR and the United States in the future.

On the same occasion, His Excellency Phoun Sipaseut, deputy prime minister and foreign affairs minister of the Lao People's Democratic Republic, also sent a message of congratulations to His Excellency James Baker, U.S. secretary of state.

Phoun Sipaseut Attends U.S. Reception

BK0607123492 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 6 Jul 92

[Text] On the evening of 4 July, Charles Salmon, U.S. charge d'affaires to Laos, hosted a reception at his residence to mark the 216th anniversary of the U.S. Independence Day.

Attending the reception as honored guests were Phoun Sipaseut, deputy prime minister and foreign affairs minister; and a number of high-ranking cadres from many ministries. Diplomats and representatives of the international organizations in Laos were also invited to attend the reception.

Japanese Government Delegation Continues Visit

Meets SPA Chairman, Ministers

BK0207083492 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 2 Jul 92

[Text] His Excellency Nouhak Phoumsavan, chairman of the Supreme People's Assembly [SPA], received a visiting high-level delegation of the Japanese Government on 1 July. The delegation was led by Mr. Yoshiyuki Toya, minister of state and director general of the National Land Development Agency, who paid him a courtesy call.

On this occasion, Nouhak Phoumsavan and Yoshiyuki Toya exchanged views on various issues, especially on bilateral cooperation and assistance between Laos and Japan in the past and present. Both were of the opinion that much success has been achieved in various fields through the two countries' cooperation and assistance.

The Lao side expressed its deep gratitude to the Japanese Government and people, who have always stood by the side of and rendered help to, the Lao people. In particular, the Japanese assistance for socioeconomic development in the Lao People's Democratic Republic [LPDR] has helped the country's economy gradually to improve. He noted that the assistance granted by the Japanese Government to Laos steadily has increased.

The SPA chairman highly evaluated the visit to Laos by the high-level Japanese delegation. He hoped that the visit would help promote further understanding among the Japanese visitors of the Lao Government's socioeconomic development policy and planning, especially in Laos' new direction of development and current economic reform. Furthermore, he believed the visit would also help enhance the mutual relations of friendship, cooperation, and assistance between Laos and Japan both now and for a long time ahead.

On the same day, Phoun Sipaseut, deputy prime minister and minister for foreign affairs, also received the visiting Japanese delegation.

Apart from paying courtesy calls on and having consultations with several Lao leaders, Yoshiyuki Toya also met and exchanged views with a number of ministers of the Lao Government responsible for bilateral cooperation in the fields of economy; agriculture and forestry; and communications, transport, posts and construction. They discussed ways and means of contributing to the aforementioned cooperation and assistance between the two countries.

Signs Documents on Aid for 1992

BK0207121492 Vientiane KPL in English 0904 GMT 2 Jul 92

[Text] Vientiane, July 2 (KPL)—The Japanese Government has decided to provide a grant aid of 4,364.7

million yen (Japanese currency), for the Lao Government to continue five main projects.

The projects include KR [expansion unknown]-2/92 project of 450 million yen, debt relief project of 97,781,000 yen, third phase km 6 irrigation project of 450 million yen, second phase telecommunication project of 811 million yen and second phase television station project of 556 million yen.

In addition, there are some small grant aid projects in technical area and personnel training. It was noted that the grant aid from the Japanese Government to the Lao Government for the 1992 fiscal year has increased.

An exchange of notes on the grant aid was made in Vientiane yesterday by Lao Deputy Foreign Minister Souban Salitthilat and Japanese Ambassador to Laos Shigemi Ando.

The ceremony was witnessed by Lao Vice Prime Minister and Foreign Minister Phoun Sipaseut, and Japanese Minister of State and Director General of National Land Agency Yoshi Yukitoya, who arrived here on June 30 on a good-will visit to Laos.

Yesterday, Mr. Yoshi Yukitoya paid a courtesy call on People's Supreme Assembly [PSA] President Nouhak Phoumsavan.

The PSA president and the Japanese minister of state, on the occasion, shared views on a series of issues particularly those concerning cooperation and assistance over the years between Laos and Japan, which the sides viewed as successful in many areas.

The Lao side is grateful to the Japanese Government and people's assistance to the Lao people, especially in socioeconomic development. The amount of the Japanese grant aid to Laos is on a rise consecutively.

The PSA president hoped the current visit to Laos by the delegation would help it understand more about policies of socio-economic development of the Lao Government, especially its renovation policy in economic reform now under way. The visit was also hoped to further promote friendship, cooperation and assistance between the two countries.

On the same day, the Japanese delegation also separately visited Vice Prime Minister and Foreign Minister Phoun Sipaseut and some other ministers concerned with economic cooperation in agriculture, communication, transport, post and construction to identify ways beneficial to such cooperation and assistance.

Meets Prime Minister Khamtai Siphandon

BK0207141592 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 2 Jul 92

[Text] General Khamtai Siphandon, prime minister of the Lao People's Democratic Republic [LPDR], received a high-level Japanese Government delegation this morning in Vientiane. The visitng delegation is currently on an official visit to the LPDR. The delegation is led by Yoshiyuki Toya, minister of state and director general of the National Land Development Agency of Japan. On this occasion, the guest and the host discussed many issues concerning mutual assistance and cooperation between the two countries—Laos and Japan—in the past as well as in the present.

Gen. Khamtai Siphandon said: The Japanese Government's aid to the Lao Government and people has contributed to the socioeconomic development of Laos. It has also contributed to increasingly developing and strengthening the long-standing friendly relations between the two countries. The LPDR prime minister availed himself of this occasion to express gratitude, on behalf of the government and people of Laos, to the government and people of Japan for having always given support and assistance to the Lao people.

Ends Visit, Leaves for Home

BK0407094292 Vientiane KPL in English 0913 GMT 4 Jul 92

[Text] Vientiane, July 4 (KPL)—A high-level delegation of the Japanese government headed by Mr. Yoshiyuki Toya, minister of state, director general of national land agency, returned home yesterday afternoon ending its official visit to Laos between 30 June and 3 July, 1992.

During its 4-day visit, the Japanese delegation met and discussed with Lao leaders in an atmosphere of good understanding and cordiality.

The discussion mainly focussed on the Lao-Japanese cooperation and assistance which the Lao Government viewed necessary to expand further. The Lao leaders also expressed gratitude to the Japanese Government and people for their valuable assistance granted to the Lao people. The assistance made a considerable contribution to the Laos' socioeconomic development, improving the living conditions of the Lao people.

In return, Mr. Yoshiyuki Toya affirmed that the Japanese Government and people would increase aid to Laos in the coming years, especially in agriculture-forestry, communication, transport, education and many other domains.

Seeing the Japanese delegation off at the airport were Mr. Khamsai Souphanouvong, deputy minister of economy, plannng, and finance; Mr. Shigemi Ando, Japanese ambassador to Laos, and other senior officials of Laos and Japan.

Philippines

Joint U.S. Ties Based on Sovereignty Sought

HK0607023992 Manila MANILA BULLETIN in English 4 Jul 92 p 6

[Editorial: "Philippine-American Friendship Day"]

[Text] On that sunny morning of July 4, 1946, or forty-six years ago today, America proclaimed Philippine Independence.

President Harry S. Truman's proclamation by which the U.S. "recognizes the independence of the Philippines as a separate and self-governing nation" was read during the colorful ceremonies.

The proclamation of independence was in effect the culmination of years of incessant clamor for independence by Filipinos. Earlier, they had sent various missions to the United States resulting in the passage of the Jones Law of 1916, which promised independence as soon as the Filipinos were ready. The Tydings-McDuffie Law, passed on March 24, 1934, on the other hand, was more specific. It provided for a ten-year Commonwealth transition period during which time the Filipinos would be trained in self-rule. This period ended on July 4, 1946 when the Philippines obtained its independence.

The Philippines, thus, became the first Malayan republic and the first country to be voluntarily set free by a colonial power after World War II.

But pressing problems of rehabilitation and reconstruction of a war-devastated Philippines remained.

And for many years, as some critics have noted, the U.S. continued to dominate the Philippines by dictating terms of trade, even exercising a non-too-subtle influence in the country's political life.

These same critics have also pointed out that American influence was discernible in American control of education and mass media, in the dominance of multinational companies, the presence of the military bases, even in the lifestyles of our people.

American influence will thus stay with us for many more years to come. As President Manuel Roxas, in his inaugural address as the first president of the Third Republic on July 4, 1946, pointed out, "We have subscribed irrevocably to the principles of the American Declaration of Independence and the American Constitution which are now embodied in the basic law of the land."

That the July 4, 1946 proclamation of Philippine independence by America laid down the foundations of Philippine-American relations has been pointed out before. Such relations recognize the more meaningful and truly independent status of the two countries.

The former Senate's abrogation of the bases treaty last year is symbolic of such an altered relationship.

As we remember Philippine-American Friendship Day—for that is what our commemoration of July 4, 1946 eventually became better known [as published]—we look forward to the further strengthening of such relationship based on mutual respect for each country's sovereignty.

Leftists Picket Japanese Embassy

HK0307060592 Quezon City MALAYA in English 3 Jul 92 p 3

[By Armando Alegre]

[Text] The militant Bagong Alyansang Makabayan [Bayan—Nation] yesterday held a peaceful "cultural picket" in front of the Japanese embassy in Makati to protest the passage of the peace-keeping operations (PKO) bill by the Japanese Diet.

Some 100 Bayan members said they held the picket to dramatize their fears of renewed Japanese militarism in the Asia-Pacific region.

Bayan said the passage of the bill is "a circumvention of the Japanaese constitution's anti-war doctrine."

They stressed that "it is only a matter of time before Japan uses military force to invade sovereign nations as (the PKO Law) would allow it to send Japanese troops abroad under the guise of the UN's peacekeeping efforts."

Members of the Japanese Self-Defense Forces are slated to join United Nation's peacekeeping forces enforcing the ceasefire in Kampuchea. Officially, they are joining the UN troops on a "non-combatant status."

In a statement, Bayan deputy secretary-general Nathaniel Santiago said "it appears that it is not enough that Japan is practically in control of the world's economy... for the warlords, who are reemerging after hibernating in business and politics, the sight and taste of blood seems irresistible."

Crispin Beltran, chairman of the militant Kilusang Mayo Uno [1 May Movement], said the passage of the bill "revived the specter of Japanese militarism threatening a second invasion."

Ramos Orders Continued Privatization of Firms

HK0607101192 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0700 GMT 6 Jul 92

[By Rowena Papasin]

[Text] President Fidel Ramos today ordered the continuation of the privatization of Government Owned and Controlled Corporations [GOCC], except for the Philippine National Oil Company. Ramos made the directive to decrease government subsidies to GOCC's.

According to Leonora de Jesus, head of the Presidential Management Staff and the Committee on Decentralization, the funds that can be saved by decreasing subsidies for GOCC's shall be used to form and augment decentralization funds to decrease the deficit, which may reach up to P6 billion [pesos].

De Jesus said P18 billion has been budgeted for the decentralization of powers to the local governments.

However, this will require P24 billion in order to be fully funded by the end of the year. On the other hand, De Jesus said the target date for the turnover of powers of the departments of health, agriculture, and social welfare and development to the local governments will be delayed by three months due to the rehabilitation being implemented in areas affected by the Mount Pinatubo eruption.

Meanwhile, De Jesus said the P15 million allotment from the Philippine Amusement and Games Corporation for the president's social fund may be terminated. Instead, the fund may be taken from foreign governments and agencies and be subject to strict screening in order to avoid being tied to any conditions.

Maceda Elected New Senate Minority Leader

HK0407031992 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 3 Jul 92

[Text] Senator Ernesto Maceda was voted in as the new Senate minority floor leader during a meeting of Nationalist People's Coalition senators at the Quezon City Sports Club.

In his speech, Maceda said the Senate minority will pay due respect to President Ramos' first 100 days in office. He also said that he will do everything he can to ensure smooth relations with the government.

Ramos Announces Additional Cabinet Appointees

HK0307103892 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 3 Jul 92

[Text] President Fidel V. Ramos has announced today the names of additional cabinet appointees. According to presidential spokesperson Annabel Abaya, Ramos has appointed Herardo Cunanan as the general manager of the Ninoy Aquino International Airport, Dionisio de la Cerna as senior deputy executive secretary, Francisco King Sumulong as head of the Games and Amusements Board, Aniceto Sobrepena as deputy director general of the National Economic Development Authority, Sapiro Rosticio as the commissioner of the Bureau of Immigration and Deportation, Leonora de Jesus as head of the presidential management staff, and Apolinario Jun Lozada as appointments secretary.

Minister Resigns To Take Up Harvard Scholarship

HK0307030192 Manila THE CHRONICLE in English 3 Jul 92 p 3

[By Fermin Diaz]

[Text] Acting Environment and Natural Resources Secretary Victor Ramos yesterday requested Malacanang to relieve him from his post so he could pursue further studies at Harvard University.

Ramos move was the first resignation of a Cabinet member after the new government was formally installed last Tuesday.

Early this year, the presitigious university's Kennedy School of Government invited him for a $50,000 one-year scholarship which could enable him to earn a master's degree in public administration.

President Fidel Ramos (no relation) was not around to decide on his request but Executive Secretary Peter Garrucho assured the DENR [Department of Environment and Natural Resources] chief he will immediately bring the matter to the President.

When the President appointed him to the post, Ramos was given only a month to hold on to the position.

"We agreed my term would end on July 30," Ramos told THE CHRONICLE.

But he said he wanted to shorten his stay at the DENR otherwise he will forefeit the Harvard scholarship.

"Classes begin on July 13 so I have to hurry up," he said. He explained that although university officials were aware of his predicament, they could not make a precedent by accommodating him for a special class.

"I was told that five years ago a Sandinista official had the same problem as mine, asking for a postponement. But he was rejected," Ramos said.

Ramos admitted that had he been appointed at the DENR not just in an acting capacity, he could have dropped the Harvard scholarship altogether.

"If my work were full time, I'm willing to stay put," he said.

But he said that when he accepted Ramos' offer for him to work with the environment department, he never requested for a permanent slot as a condition. "I did not ask for it. I don't want to put pressure on him," he said.

Asked if he will turn down the scholarship if President Ramos will appoint him a permanent DENR secretary, he said he did not expect Ramos to do that. "I don't expect the President to change his mind," he said.

Sources said the President placed Ramos at the DENR only in an acting capacity to test how people would react to his decision.

So far, non-government organizations and foreign doctors assisting the government in its reforestation drive had expressed their satisfaction over the President's choice.

Sources said Ramos was particularly apprehensive about the fact that the DENR secretary has the same family name as his and that both come from Pangasinan.

Defeated Candidate To Leave for U.S. College

HK0307091892 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 3 Jul 92

[Text] Miriam Defensor Santiago, a presidential candidate who lost in the 11 May polls, has confirmed that she is scheduled to leave for the United States next week. Santiago said she is going to the United States to accept a scholarship offered to her by the Kennedy School of Government at Harvard University. She said that she accepted the offer because she was becoming a nuisance to her political rivals.

Although she is about to leave, Santiago still cannot believe that she lost the past election. She said the last election was highly questionable, especially with regard to the canvassing of votes. She added that she chose not to continue leading protests because she does not want to be charged with disturbing the country's peaceful situation.

Imelda Hopes Ramos Allows Marcos Body Return

HK0407033792 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 3 Jul 92

[Text] Former First Lady Imelda Marcos expressed optimism that the new administration will grant her a big favor regarding the return of her husband's remains to the country. The former first lady is optimistic that her husband's remains will be brought home to the country and given a proper burial. She also said that what the country now needs is unity. She also confirmed that discussions are under way regarding the Marcos wealth.

Malacanang Denies Receiving Rebel's Talking Points

HK0407033592 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 3 Jul 92

[Text] Malacanang has not formally received the eight talking points which the Reform the Armed Forces Movement [RAM] claims to have sent the government as their requirements prior to peace talks. Presidential Spokesman Annabel Abaya said Malacanang has not received anything from the rightist rebels. Earlier, it was reported that the RAM sent eight talking points which they wanted to discuss with the Ramos administration prior to a cease-fire between the military rebels and the government.

Government Discovers Communist Rebel Burial Sites

HK0207134092 Manila Manila Broadcasting Company DZRH in Tagalog 1100 GMT 2 Jul 92

[Text] Romeo Padiernos, chief of the Armed Forces Civil Relations Service, said killing fields have become numerous because of increased violence and terrorism by communist rebels in various parts of the country.

Padiernos made the statement after several burial fields were found in various parts of the country. He said police and military elements found such burial sites within the last month in the provinces of Camarines Norte, Negros Occidental, Leyte and Bulacan.

Found in those killing fields were the bodies of people who could not be identified because they were in advanced states of decomposition.

Padiernos said people responsible for these deaths, especially the communist groups, should be condemned.

He said the killings were a violation of human rights and are against the Filipino nation.

Thailand

Efforts To Establish AFTA Reviewed

BK0207124292 Bangkok BANGKOK POST in English 30 Jun 92 pp 19, 20

[From the "Economic Review 1992 Mid-Year" supplement]

[Excerpt] On January 28, 1992, at the Fourth Association of Southeast Asian Nations (ASEAN) Summit, heads of the six member states—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand—signed a Singapore Declaration to form a free trade area among their fast-growing countries. The move was widely hailed as an important milestone for ASEAN on its road to forge closer economic ties among its member nations, which had thus far a rather poor showing in this respect.

According to Singapore Foreign Minister Wong Kan Seng, the decision by ASEAN to establish a free trade area in 15 years is a response to the challenge of similar groupings being formed in North America and Europe. The move by the summit of ASEAN leaders was, therefore, a significant development with strong repercussions.

The Singapore foreign minister noted that even if the North American Free Trade Area and the Single European Market were to remain open, they would still pose a decisive challenge for the rest of the world because they would serve as magnets for trade and investors and make other areas appear less attractive.

AFTA [ASEAN Free Trade Area] is, therefore, intended to keep ASEAN attractive and competitive for trade and investments no matter what happens in Europe and America. It is a major political step forward and a prudent investment against an uncertain future.

This being the case, the key points of the Singapore Declaration are:

—Forming an ASEAN Free Trade Area within 15 years in response to regional economic groupings emerging among developed countries;

—Introducing a Common Effective Preferential Tariff (CEPT) scheme to reduce intra-ASEAN tariffs to between zero and 5 percent by the year 2008. The CEPT will be the main instrument for turning ASEAN into AFTA;

—Setting up a ministerial-level council of ASEAN ministers to supervise, coordinate and review the implementation of the tariff reduction scheme as a first step towards creating a free trade area;

—Forging closer ties with countries in Indochina and welcoming accession by all Southeast Asian states to the 1976 Treaty of Amity and Cooperation, seen as the first step towards membership of ASEAN. Southeast Asian states not part of ASEAN are Vietnam, Laos, Cambodia and Burma;

—Strengthening the United Nations' international peacekeeping role in the region;

—Promoting dialogue on security in ASEAN's established forums, including annual meetings with its main trading partners: the United States, Japan, the European Community, Canada, Australia, New Zealand and South Korea;

—Holding an ASEAN summit every three years with informal summit in between;

—Supporting the principle of the General Agreement on Tariffs and Trade (GATT) for free and open trade;

—Attaching importance to regional ties through the Asia-Pacific Economic Cooperation (APEC) forum and recognising the consultative function of the Malaysia-proposed East Asian Economic Caucus (EAEC);

—Improving cooperation on trade conducting negotiations on ASEAN agricultural products, commodities and energy, and encouraging free flows of capital and other financial resources;

—Jointly developing telecommunications and tourism;

—Promoting greater participation by women in social and economic development;

—Enhancing cooperation in environmental issues such as trans-boundary pollution, natural disasters, forest fires and illegal logging; and

—Boosting efforts to curb the spread of AIDS, drug abuse and illegal drug trafficking.

Encouragingly, the reaction of non-ASEAN countries to the Singapore Declaration of 1992 was very positive. ASEAN's most important trade partner Japan, welcomed it. A Foreign Ministry source of that country commented: "The economic development of ASEAN is important to the stability in the Asia-Pacific region and the world as a whole." The source then went on to say: "The declaration succeeded in coping with the dynamic changes sweeping the world and we highly praise the successful outcome of the meeting."

Two major Japanese newspapers, ASAHI SHIMBUN and YOMIURI SHIMBUN carried editorials hailing the declaration which would provide the framework of the region following the end of the Cold War and peace achieved in Cambodia. The two dailies also welcomed ASEAN's reiteration to allow accession by other countries in the region to the Treaty of Amity and Cooperation in Southeast Asia, signalling the start of one Southeast Asia.

The EC and the US also gave their approval of the free trade area plan adopted by ASEAN. Abel Matutes, the EC Commissioner for Asia, said: "The EC has always favoured regional cooperation as long as it is consistent with GATT. Moreover, the decision by ASEAN to boost political relations with the EC and other Asian countries is also a positive move.

US State Department spokesman Joe Snyder stated: "The United States warmly welcomed the decision. We have strongly supported Asian efforts towards increased economic integration and cooperation. In fact, the United States has consistently supported free trade areas that comply with the GATT."

CEPT

As noted above, CEPT will be used as the main tool for the creation of AFTA. Starting on January 1, 1993, the tariff rates on products traded among the ASEAN countries will be reduced step by step to 0-5 percent in 15 years (by the year 2008). However, the products that will come under CEPT are all manufactured goods including capital goods and processed agricultural products.

Only unprocessed agricultural commodities and agricultural products which have undergone little processing are exempted. This is because agricultural commodities are ASEAN member countries' basic products, with a considerable degree of overlapping in ASEAN's production of these products.

Under CEPT, tariffs will be phased out systematically, with the agreement spelling out the schedule of tariff reductions as follows.

All tariffs above 20 percent on products traded among ASEAN will be brought down to a maximum of 20 percent in 5-8 years from January 1, 1993, and further down to a maximum of 5 percent seven years later.

Tariffs on products with existing rates of 20 percent or below as at January 1, 1993 will be reduced to a maximum of 5 percent within the timeframe which two or more member states may arrange in order that tariff reduction may be accelerated. However, a member will enjoy the prerogative of low tariffs as noted above only if it has already set its tariff rates at 20 percent or below.

Nonetheless, these tariff cut schedules will not prevent member states from immediately reducing their tariffs to 0-5 percent or following an accelerated schedule of tariff reductions.

A member country, under the "six-minus-one" formula, may ask to be exempted in respect to a certain product or products which they feel unready to be brought under CEPT. However, during the time of exemption, that country will not be given the privilege of reduced tariffs by other member countries on the particular product or products. These exempted products will be put in the exclusion list, which will be reviewed in the eighth year of CEPT implementation (in 2001).

Goods considered to have their origin in ASEAN are those with at least 40 percent of their content originating in any ASEAN states.

Member countries will abrogate all quota restrictions for goods brought under the CEPT scheme when tariffs on these goods are equal to or lower than 20 percent. They will moreover proceed to gradually dismantle all other non-tariff protectionist measures within five years after the tariffs on these products have been reduced to 20 percent.

In addition, all foreign-exchange restrictions regarding payments for goods under the CEPT scheme will all be done away with. However, this should not affect the obligations stipulated by the agreements of GATT and the International Monetary Fund.

To ensure that things will proceed in accordance with the Singapore Declaration, ASEAN economic ministers will establish a ministerial-level council to be responsible for undertaking all actions in line with this agreement, with support forthcoming from the ASEAN Secretariat and ASEAN senior economic officers.

"FAST TRACK" SCHEME

In order to step up the establishment of a free trade area within ASEAN, 15 products have been chosen for accelerated tariff reductions under the so-called "fast track" scheme, beginning on January 1, 1993. These are cement, fertiliser, leather products, pulp, textiles, gems and jewellery, electronic and electrical appliances, rattan and wooden furniture, vegetable oil, chemicals, pharmaceuticais, plastics, rubber products, ceramic and glass products, and copper cathodes.

On the part of Thailand, Prime Minister Anan Panyarachun, in his statement to other ASEAN leaders at the close of the two-day ASEAN summit, said Thailand in its capacity as one of the principal architects of AFTA will take steps to reduce tariff rates on all manufactured products to be brought under CEPT, which exceed 30 percent, to no more than 30 percent by January 1, 1993, and further to no more than 20 percent by January 1, 1994.

The two-step tariff cut for all manufactured goods coming into Thailand from other ASEAN states is indeed a bold and a necessary move by Thailand which maintains one of the highest tariff walls among ASEAN countries. (Currently, Indonesia has the highest average tariff rate, estimated at 32.6 percent, followed by Thailand at an average of 30.7 percent, the Philippines at 29.2 percent, Malaysia at 25 percent, Singapore at 6.4 percent and Brunei with an almost average 0 percent duty.)

The Thai prime minister also stated that he will consult the Thai Government and private-sector entities to reduce the tariffs further to 0-5 percent as soon as possible. Moreover, the overall tariff reduction plan is part of his administration's national policy and in line with making the kingdom's import tariffs comparable with rates elsewhere in ASEAN.

Nonetheless, in announcing the unilateral tariff reduction, Mr Anan also signalled a warning to Thai industries, especially those enjoying protection, to prepare for the impact of new regional trade liberalisation. These arrangements will only allow some time for them to become more efficient and competitive in line with world and ASEAN standards. [passage omitted]

Envoy Calls on Premier, Reaffirms Cooperation

BK0207141192 Bangkok Army Television Channel 5 in Thai 1230 GMT 2 Jul 92

[Text] Nguyen Trung, SRV ambassador to Thailand, paid a courtesy call on Prime Minister Anan Panyarachun at Government House today to convey a message from the SRV prime minister to the Thai prime minister. The ambassador also reaffirmed that the Vietnamese Government would continue to respect all agreements between the two countries and is ready to cooperate in solving any existing problems between the two countries.

Anan Address to Foreign Correspondents

BK0207104592 Bangkok Thai Color Television Channal 9 in Thai 1400 GMT 1 Jul 92

[Address by Prime Minister Anan Panyarachun to the Foreign Correspondents Club of Thailand, followed by question-and-answer session, in English; on 1 July at the Dusit Thani Hotel in Bangkok—live]

[Text] Madam President, distinguished members of the FCCT, [Foreign Correspondents Club of Thailand] honored guests, ladies, and gentlemen:

It is a great pleasure to be back here, and to have another opportunity of meeting with distinguished members and guests of the club. I would like to thank the president of the FCCT for the invitation and also for her words of welcome. The first time I addressed this audience as prime minister on 25 April 1991, if my memory serves me correctly, I said, and I quote: It has never been my expectation to stand here and to speak before you in this capacity. I believe that my appointment as a prime minister will indeed be recorded as one of the greatest accidents of history. End of quote. Nor, when I relinquished office some 12 months ago, later did I expect to be back here in the same capacity. According to conventional wisdom, the lightening never strikes the same place twice. And thus, who can believe or predict that another accident of history would befall the very same person for the second time in little more than a year? Let me be very clear from the very beginning, while I always consider it a great honor to serve my country in any capacity, I can draw no pleasure or satisfaction from this turn of fate.

Ladies and gentlemen, the sequence of events that brought me back to the office constitutes one of the great tragedies in my country's long history. This tragedy moved me greatly, as it did others.

As a former diplomat whose career, like others, was dedicated to the promotion of the nation's interests through rational processes of negotiations and compromise, I was deeply disappointed by the prevalence of emotions, irrationality, intractability, and the readiness to use forceful means to resolve political differences.

As a former head of government, I am profoundly disturbed by the failure of management which allowed a specific political challenge to an individual government to be transformed into a crisis of legitimacy, affecting all institutions and all people from all walks of life. The scope and severity of this national tragedy is such that much remains to be done in the months and indeed in the years ahead.

Both our own and international communities view the events in May as a manifestation of the lack of proper control in Thai politics. This has led to the loss of faith in our political system. We all need to restore the credibility that was destroyed. We need to affirm the principle of accountability which is essential in democratic societies. We must proceed to do what is legal, just, and decent. We must demonstrate that no one, and no one, is above the law.

We must restore public faith in the two main democratic institutions, namely Parliament and political parties. Above all, we need to heal the psychological bruises and wounds that our society suffered during the month of May.

Thailand has a considerable reservoir of what I call "inner strength," a combination of societal resilience, cohesion, and dynamism, which has enabled us to survive many a threat and misfortune in the past. To heal the suffering from this tragedy, we must reach inside our own souls to rediscover and tap this inner strength of ours.

Ladies and gentlemen, let me be very candid. The tragedy was immense, with many of its implications and consequences still in the process of unfolding. The task of resolving all the problems will take far longer than the length of time my government will have in office. But we need to start today.

Painful as the tragedy was, as a society we must also try to see things in proper perspective. As a society, we must look ahead and forge ahead, not allowing ourselves to be consumed with the bitterness of the past or preoccupied only with the exigencies of the present. As a society, we must endeavor to transcend this tragedy, and work together for a better tomorrow, not only for our own sake, but also for the sake of the generations to come. There is no panacea for all the world's ills, but the key to progress, I believe, is the ability to draw lessons from the past. The events of May were tragic, and traumatic. But as crises often do, they also serve to bring clarity and urgency to the question of what must be done in the longer term in many areas. Let me share some of my thoughts with you on this matter.

Clearly an area where a great deal of progress needs to be made, and needs to be made as urgently as possible, is the strengthening of democracy and democratic institutions.

I have talked a great deal recently about the necessity for free and fair electoral processes, the need for greater sense of responsibility and decency on the part of elected representatives, and the need for political education which instills in people the value of democracy, of individuals' rights and responsibilities, privileges, and duties in the democratic system. We also need to broaden the cores of political parties with the greater participation in party politics on the part of the young, the learned, and the middle, white-collar, and managerial classes.

These groups of persons are some of the most important constituent parts of our economic machine, which had been, and will be again, the showcase of our country. If we are to have a strong democratic system, their participation cannot and must not be limited to the realm of economics. We need to increase their participation and their involvement in the political spectrum to counter the polarized extremes.

This broadening process will not be easy to bring about. Democratisation is a gradual process requiring many small steps, but the events of May have highlighted the urgency to begin this change now. At the same time, we must realize the serious disparity in economic status and thus political aspirations between different sections of society. This disparity is unsustainable in healthy democratic systems and therefore we must endeavor to narrow the income and educational gaps. We need to decentralize and spread political participation to the grassroots and the provinces, and not let it be confined to only the National Assembly and people in Bangkok. Specifically, we need more institutionalized popular participation at the provincial and district levels. We must contemplate moving towards a system of electing key administrators at all levels of government right down to the villages.

Another measure necessary for the strengthening of democracy is the promotion of free but responsible mass media. In addition to preserving freedom of the printed press, we must make sure that television and radio stations are allowed to present independent, objective coverage and analysis of public affairs. All too often, there is too fine a distinction between ownership and contol, but such a distinction must be made. The media must not be instruments of political manipulation. But let me also make it very clear: Freedom does not, and cannot, and should not mean license. Freedom should be accompanied by greater responsibility and accountability on the part of the mass media. Dictatorship over the mass media must not be replaced by dictatorship by the media. Both are equally unacceptable.

We also need to promote the credibility of the military as an indispensable professional institution. Therefore we must begin a process of establishing civilian control over the armed forces and curbing their nonmilitary activities. The armed forces in their new role should primarily focus on their basic professional function of protecting the people from foreign aggression. Civilians should realize, however, that the strength and organization of the military is such that they cannot and should not be excluded from all public affairs unrelated to defense. The officer corps must ultimately accept that Thailand's increasingly complex and pluralistic society requires not only a democratic form of government, but also a well-defined differentiation of professional functions.

Meanwhile, civilians must accept that strong Armed Forces are vital to the nation's security. The Armed Forces cannot, however, be sufficiently strong to perform their basic task of defending the nation's security if they are not provided with the necessary resources to develop their professional capabilities or if they become an institution without honor and prestige. Thus, our move towards a more democratic form of government requires us to depoliticise the military while preserving the honor and dignity of this institution. If this task requires adjustments of the existing structures, then we must have the wisdom and courage to face up to the challenge. But the options must be studied, selected, and implemented with rationality and care by those well-versed in the armed forces' ways. We cannot allow emotions or righteousness to dominate this process.

The last 17 months have shown that our overall economy has resilence, which allows it to weather political storms. Some sectors, certainly, are more vulnerable than others to fluctuations of political fortunes. The travel and tourism industries were among the biggest sufferers following the events of May. But I am confident that once our political credibility is restored, all sectors of our economy will continue their dynamic growth.

I believe that the Thai economy, based on a solid foundation has strong momentum that the events of May are unlikely to break. Despite the Gulf War, the February 1991 coup, and the tragic events of last month, our GDP [gross domestic product] growth rate for this year is estimated to be around 7.5 percent—a level of growth that would be envied by many nations. Our international reserves stand at 19.9 billion U.S dollars, equal to six and a half months of total imports. Our current account deficit is going to be less than eight percent of GDP, a rate which is lower than in 1991. And the projected inflation rate for this year is under 5 percent—outstanding figures by any standard, and a testament to our economy's strength.

The process of economic liberalization, begun by my previous administration, must and will continue, for this process is both a key mechanism for sustaining our economic performance and an indispensable framework for ever closer integration with global trade and investment. An implicit requirement for an open political and democratic society is economic liberalization; we must strive to achieve this while maintaining economic and financial discipline.

We will continue to direct and coordinate our foreign policy objectives in line with the positive developments on both a global and regional basis. While continuing to increase and diversify our trade and investment partners, Thailand will play an even more active role in the international fora dedicated to discussions and negotiations on economic issues.

Our international role in this respect needs to be conceived and conducted on the basis of close collaboration with our ASEAN partners as well as with our neighbors, for it is in regional cooperation that we must find wisdom and strength. Our international role must, therefore, be accompanied and buttressed by our role in the region. This means that in addition to our continued contributions to the various efforts to enhance regional security, in the broadest sense of the term, we must play an increasingly active part to make the ASEAN Free Trade Area, or AFTA, a living, thriving reality. During the process of implementing the AFTA agreement, some sectors in our country, like many in others, no doubt will be adversely affected. But such adversities must be borne in the short-term as an investment in longer-term prosperity. We must continue to take up with vigor the challenges of foreign policy, for these issues are matters closely intertwined with our security and well-being. We must not remain solely absorbed with our domestic preoccupations.

Ladies and gentlemen: Every tragedy, every crisis brings divisiveness and conflict, pain and sorrow that are not easily healed. But, as history has shown, every crisis also contains seeds of opportunity for progress. The painful events of May have forced us to realize the sense of urgency to reform—to correct—the structural flaws in our society, in our military establishment, in our political system and in our bureaucratic framework.

All Thais must find a new sense of direction, to begin now the many small steps to generate this needed change in our society. Indeed, one test of a society's "inner strength" is that society's ability to cultivate and nurture the seeds of opportunity today in order to restore a sense of balance and to bring about a better tomorrow. We must look ahead.

If the events of May can help us set our agenda and our priorities, then all is not lost and much remains to be gained. We can look forward to a better tomorrow.

My time in office is very brief. But if during this short period of time my government can help plant the seeds of opportunity for future and stable progress, if my government can point out honestly and with reason to all that we have a better tomorrow to look forward to, I will consider our mission a real and concrete beginning of the road toward stability, development, and true democracy.

Thank you very much.

[Cynthia Owens from the ASIAN WALL STREET JOURNAL] Khun Anan, you mentioned that there would be slow steps towards changes in the military. What about the military leaders who many people think were responsible for the violence in May?

[Anan] Well, I think that you must understand that the events in May have generated a very high degree of confusion. I said before and I say again tonight that I am not willing to be a judge. And I do not believe it is right or correct for me as a prime minister to say right now as to who is guilty or who is responsible. That is a matter not under my jurisdiction. And I proceed from the basis that the events in May, however tragic they might have been, have to be investigated fully. And the previous government did set up a government committee consisting of respected jurists and even outsiders and they are pursuing the investigation in a vigorous and effective manner. Only this afternoon, they have called in Air Chief Marshal Kaset [Rotchananin] and General Itsaraphong [Nunphakdi] to testify. And their first appearances at that committee's meeting at least confirmed that the military figures who are often targets of criticism and accusations are quite prepared to stand before the investigation committee and answer questions directed at them. As head of the government, I am awaiting a full report of that committee together with the report of the committee set up by the Defense Ministry. Only on the basis of facts as presented to me and the cabinet in the next month or two, would I be in a position to make up my mind or to define my position as to what legal steps, or what steps, should be taken subsequently.

[Correspondent] I am [name indistinct]. The Anan I government was extremely popular both domestically and overseas, and the Anan government II looks much to repeat that success. I am curious whether or not Mr. Prime Minister expects or perhaps fears that there will be an Anan III government.

[Anan] I don't have a habit of telling publicly what my privacy is on.

[Correspondent] Sorry.

[FCCT President] Perhaps, you would like to rephrase the question?

[Correspondent] No, I think I have summed it up pretty precisely.

[Anan] As far as I am concerned, it is a nonissue at least for the time being.

[Correspondent] Maybe I will try and rephrase it somewhat. Well, last time that Khun Anan addressed the FCCT, he mentioned that he thought it would take 50 years for Thailand to reach a political maturity that would indicate that we would no longer need to fear military intervention in a political process. Do you feel that the events over the past couple of months have done anything to perhaps accelerate the process of political maturity in Thailand. In other words, are you more or less confident about the development of the political process in Thailand today than you were at that time?

[Anan] Well, I'm not an incorrigible optimist, that throughout my life I have often looked at the positive side of any crisis or any tragedy, and I stated to the BBC a few days after the events in May [as heard]. I said something to the effect that this could turn out to be a new chapter in our political history. Now I am conscious to the fact that I, and I alone, even with the help and support of my government or my cabinet, we cannot really or effectively fully influence the direction of our political history. But I think that the test of a society, particularly a society which is a long-established society of 800 years—and we have gone through many crises in our history—and the test of that society is how it comes out of the crises, how it has been able to manage the crises in such a way that we can make a positive progress. I am fairly optimistic that we can make it work, and in a way I think that events in May of this year could also turn out to be a blessing in disguise.

[Correspondent] I am Sheila McNaulty from AP. I want to ask you how, why have you avoided asking the leaders of the military to step down until the investigations are complete?

[Anan] We happen to live in a Thai society, and I, for one, am not willing to adopt outside practices and outside norms into our society. We have a different management style. We have a different culture. We have different social norms and social values. I welcome suggestions and recommendations from outsiders, but I am the ultimate judge as to what should be done and how it should be handled in dealing with the problems of our society.

[Correspondent] Mr. Prime Minister, [name indistinct]. I just want to know: You mentioned that the military's role in Thailand should be mostly in the defense of the country against people outside the country. But you also left open the door for their participation because of the strength of the military in the role they can play. What is the role of the military in terms of the management of state enterprises?

[Anan] I don't know whether you have ever been in the private sector. I spent 15 years in the private business in the private sector. The roles of chairmen and board members are very limited. An organization, whether it is a private organization, a commercial organization, or state enterprise, is run by its chief executive officer. So I think it is wrong, and it is misguided to believe that just because certain military figures are chairmen or board members that they actually run the organizations.

Now the second point is this: that the Thai Army, because of its traditions, because of its past history, as I referred to in my statement because of its strengthened organization, in addition to their defense functions, they have a valid role to play in the development process, particularly in the remote areas, or in the areas in which civilian authorities may not be in a good position to move in. So I believe quite sincerely that the Army or the Armed Forces of Thailand today are quite prepared to lower their role. They are quite prepared to lower their public profile, and on the basis of the interviews and statements made by various military figures in the past two weeks or so, I am gratified that they have responded to my probings and to my leading statements in a very positive and in a very constructive manner.

[Correspondent] Can I ask just a quick follow-up? You mentioned, you said probings there. Have you had any personal contact with any of the top military men?

[Anan] I have not.

[Correspondent] Thank you.

[Anan] I have a defense minister in my cabinet.

[Correspondent] Mr. Prime Minister, my name is [name indistinct]. I'm a columnist from the BANGKOK POST. You mentioned the words "dictatorship by the media." I would be very curious to know what you mean by that. Would you like to elaborate on that and are there any specific examples that you would like to mention, specifically on how we in the media can avoid dictatorship by the media? Thank you.

[Anan] I think the term is self-explanatory, and as members of the Foreign Correspondents Club, I don't think you should take it upon yourself that I was directing my remarks at you or your colleagues. Next.

[Correspondent] Robert Woodrow from ASIA WEEK. Mr. Prime Minister, I ask you a highly specific question which perhaps might be comprised in your first answer. That's for you to say. Mr. Prime Minister, have the intelligence services of the government available to you since the end of June led you to believe that the Army removed and secretly disposed of any bodies on the nights of the 18, 19, and 20 of May, and then removed them to some secret places? Any bodies?

[Anan] I did not hear the question clearly, so if my answer is not complete, I hope you do forgive me. No, I have not had any direct reportings on the matter, and I believe that if anybody should come up with some evidences, even circumstancial evidences, I am sure the military authorities are prepared to cooperate in the investigation.

[Correspondent] [names of correspondent and newpaper indistinct] Mr. Prime Minister, your government would have been very welcomed to stay in power for more than three months up until the 13 September election. Can you tell us why you decided that your government should have such a short life? I understand that you are a private man, but surely it must have been some other considerations besides that.

[Anan] Well, you must realize that when I came into this job, not only that it was a second political accident in my life, but my job was already and clearly defined by the statement that the president of the parliament presented to his majesty the king. So I came in with certain conditions that I would come in to return democracy to the people, or to return the mandate to the people, and that that period should be a brief one. So I did not design those conditions, and those conditions were already made when I accepted the offer. So the question as to how long I should stay on or not, to me, is irrelevant. I got certain missions to accomplish, and I hope that they will be accomplished well. I do not know what the future holds for me, but as I said repeatedly that I am not cut out to be a public figure. I'm not playing hard to get either. But to me, I believe that I, in my private life, I never owe daily hospitality of my hosts.

[Correspondent] What steps would you take in three months to strengthen democracy, return democracy to the people?

[Anan] I didn't quite hear it properly. But I'll attempt to answer your question. I think that if we look at the political development, the political history of all other societies, you'll find that a democratic system was not set up by one man, be it for a four-month period or even for 40 years. It is something which has to be nurtured; it is something which has to be taken care of; it is something which has to grow; it is something which has to go through a very lengthy, and sometimes painful, process for maturity. I do not believe that one man or one government, whether they stay on for four months or for 40 years, can do that sort of magic trick. So I often emphasize that this is not my own personal responsibility. It is the responsibility of all Thais, old and young, and we've got to try to make it this time.

[Correspondent] What do you think happened to the missing—all the people who have been reported missing and are unaccounted for?

[Anan] Well, I lived in New York for 12 years, and occasionally, occasionally I had a chance to see the missing person list of the New York Police Department. I can assure you, that it has never become shorter.

[Correspondent] Actually, could I have a follow-up question? Actually, I think a lot of people would take offence at making a joke about this because quite a few people have reported their relatives missing and they don't know what happened to them, and I mean this question quite seriously. Do you think that they are dead, or do you think that they are just missing like all the people in New York, or what do you think?

[Anan] It was not my intention to belittle your question, and nor was it my intention to make jokes about this sort of thing. I personally truly sympathize with the parents and the relatives and friends of those who were reported missing. The government committee that was set up and that was reaffirmed by my government is investigating into the matter. I believe that we have quite an effective system of reporting, of registering, of checking and double-checking. I personally hope that those who were found missing would turn up one of these days in good shape and form.

[Correspondent] So does that mean you believe that they are all alive?

[Anan] I have no way of knowing. Would you tell me?

[Correspondent] You are prime minister. You know better than me.

[Anan] I beg your pardon?

[Correspondent] So, basically, you have no suspicions about this, or I mean, what I'm trying to get at is ...

[Anan] [interrupts] That depends on the report of the investigation committees which have been set up, and I hope to be enlightened on that particular aspect, too. It is a matter of a situation, it is a matter under investigation. And I'm just not in the position as of now to pass a judgment on that particular question until I'm in receipt of their full report.

[Correspondent] Peter Ungphakon from the BANGKOK POST, prime minister. You spoke about the military and you spoke about the media, and you said that you've got a very short time in office. There's a link. Most of the government media is owned by the military. Do you plan to do anything about that before you leave office?

[Anan] Yes, I have set up a committee under Minister Michai [Wirawaithaya], and I have invited a number of nongovernmental individuals to sit on this committee to explore ways and means of enabling the television stations which are owned by the state to conduct themselves in their coverage, in their analysis, of public matters in a way which is not subservient to the owner, or to the controller. We have some ideas in our minds, and they are being studied and I hope that, within the course of July, within the course of this month, we may be able to come up with some concrete proposals from that committee.

[Corresapondent] Can I follow up on that? Are you simply looking for a report and proposals, or do you think that you will actually take some action before you leave office?

[Anan] Well, because of the dissolution of the parliament, that will prevent me from taking any action which need legislative actions. So any action we may take in the next two or four months would have to be confined on the executive orders.

[Correspondent] Suchat Sukhaniran from Publisher Service [word indistinct]. You seem to be an indispensable prime minister of Thailand and in fact we all in the Thai political arena, we should have many Anans. Can you give us a brief forecast on which direction Thailand is heading after your stepping down, I mean after 13 September, taking into account the comeback of the major political parties, such as Samakkhi Tham, Chat Thai, and the Democrat?

[Anan] My starting point is that the next elections, whatever may be their shorcomings or flaws, will produce better results than the last election. It's my hope that we see many new faces, the faces which reflect integrity, honesty, and expertise in various fields. But at the same time, I am not that pessimistic because I believe that what we started to do in my previous administration, for the duration of 14 months, and the tragic event in May, both could be considered as catalysts for a change of culture, a change of attitude in our society. I have a feeling that even those who are now being condemned and being criticized harshly—I am talking about the elected representatives of course—that even those who are branded, who are criticized, and some even ostracized, even if they should be returned to the next parliament, I have a feeling that they would have learned lessons and they will have to try their best to conduct themselves in a manner which is commensurate with the present thinking and attitude. It is very important that we try to raise the level of political awareness, political consciousness. Of course with a limited time, we have no way of knowing whether these exercises will produce actually concrete results. But I think, I think I have a reason to believe, that our society as a whole would turn out in four months time to be a better society.

[Correspondent] [name and publication indistinct] Prime Minister, your call for Thais from all walks of life to come together at this time to help rebuild the country is one that should receive unanimous support. Your very polite guidelines to both the local press and international press are worthy of our serious consideration. Prime Minister, what would you suggest that the foreign business community could or should do to help Thailand at this juncture recover its true position in the world trade position?

[Anan] Maybe it is a little bit premature on my part to answer your question directly, but thank you very much for your gesture. I think those who have lived in Thailand for a period of time would have detected something which is unique in our society. In the past I often referred to our ability in crisis management. I ask you quite a direct question: If the events in May had taken place in any country at all in this world, how long would you take to end that kind of conflict? How long would you take to heal the wounds? I think in this society, in our country, and it's been realized more and more by foreigners, we have a unique institution which, at a most critical juncture in our history, could intervene, and could end this horrendous conflict in a matter of minutes. I think this is something that the Thais are very proud of. It is something that, sometimes, can never be explained by words. But there is a gut feeling that they all have. I said before that riots are riots, civil strifes are civil strifes. We have seen these tragic events occurring all over the globe. It was only fifteen, twenty years ago, when they saw riots, when they saw demonstrations. Nearly one million people in places in the States, they have seen riots in Los Angeles, for a cause which is less noble than the cause which had motivated the demonstrators in Thailand. The scale of losses and the intensity of feelings and hatred were even more apparent than what we have seen during those fateful days in May in Thailand. And if you look at the history of any nation, they all have gone through this process of pain and sorrow and horror, the scales of which made the Thai experience a very pale comparison. Now, that does not mean that I condone whoever was responsible for the trauma we are still suffering from. It does not mean that I enjoy seeing those scenes. But I believe quite sincerely that human beings, as they are, they are prone to making certain mistakes. Some mistakes in our history have been more costly than they should be. There have been errors of judgment. There have been dastard acts committed, either intentionally or accidentally. But it is still the strength of the society that has to withstand on these consequences. And we have to do our best not to bury the past, not to forget the past, but to learn the lessons from the past, and do our best to ensure that history will never repeat itself.

[Correspondent] Mr. Prime Minister, I am Yuli Ismartono from TEMPO magazine of Indonesia. I have no doubt, sir, that after the events in May, the next election will produce a better result. However, I still feel that, between the people in Bangkok and that of the rural areas, there still exist differences in education and political awareness. What steps can you take in the short time that you have to ensure that abuses in the coming elections can be prevented or minimized so that the same kind of scenario in which the same kind of politicians leading to what happened to May could be prevented again?

[Anan] I never expect miracles. Miracles don't happen, and they'll never happen during my administration either. But I think that type of question can be addressed to any developing society. It is a question that not only in Thailand that had we have to ponder about, but it is a question that has to be stressed squarely by all developing societies. And the solution to this is a long- term process. It is the education and what not. So in short I don't have an answer to your question. But I think whatever little steps we can make, we can move forward, and that's an improvement. You see, in this world, I think even in a long-established democratic society, there is a prevailing mood or disillusionment with the democratic political process, the political parties. You have seen it happen in Germany in the last election. You have seen it in France. And you see it in the States now. So this particular disillusionment with the political process or with the politicians is not exclusive to Thailand. But be that as it may, our society does not have such sufficiently strong social fabric to withstand all this disillusionment, or questionings, or doubts. But I think we just have to deal with these problems in our own way, and gradually we hope for the best.

[Correspondent] Prime Minister, Niel Kelly of the BBC. May I ask you to elaborate on one of your earlier answers, namely, do you expect to have, in your hands, while you are still in office, all these reports—the government report, the Defense Ministry report, on the events of May, including the missing people—and will you then have time to act upon that report before you leave office?

[Anan] Yes, it is my hope and it's my intention that the reports from these two investigation committees be in my hands or in the hands of the cabinet while we're still in office, and we hope that the whole process could be completed before we leave. But there are certain matters which are beyond my jurisdiction. If they are matters within our control and within our jurisdiction, then we hope to be able to complete that process. I'm talking about it as the executive branch of the government.

[Correspondent] Prime Minister, another Kelly, John Kelly [words indistinct]. You touched in your speech on what it seemed to me was a very significant matter, though nobody seems to touch on it since. It happened to be something we have been talking about just around our table before you came up to the podium. And that was the question of how to democratise, and how to introduce true democracy into this country, and you suggested that it had to be started from the grassroots, that we had to effectively break down some of the existing power structure in terms of bureaucracy and the political structures around the Interior Ministry. You suggested that we had to get to lower levels of local democracies and move up from there. And given the fact that this is a very, very powerful structure that you have a society here at the moment traditionally, I am wondering how that can be done because of the politics around it. I know that you cannot do within your ministry, but on the other hand, it seems to me that really is a very key factor in terms of how to get into the situation, and in fact you don't have certain key people controlling your politics the way it has been the case in the past. I wonder if you could talk about it a little bit please.

[Anan] I never underestimate the enormity of the problems we are facing, as I've said before. This will have to be a future long-term process, and I hope that the issue can be dealt with by the future parliament of elected representatives. Some of the things I mentioned in my statement have already been dealt with in the previous parliament before the seizure of power on 23 February 1991. So I have the feeling that those bills will be revived again in the next parliament. I think each country has its own problems and sometimes you know how to deal with it, and yet circumstances and the environment do not lend themselves to what most people regard as logical and correct solutions, but it is something that the Thai people will have to wake up to this fact and we hope that they will rise up to the occasion.

[Correspondent] Prime Minister, Thitinan Posithirak from THE NATION. You mentioned that the Thai economy is resilient, that despite the May tragedy, the GDP growth is still going to be 7.5 percent, current account deficits less than eight percent of GDP, low inflation, enough foreign reserves to last more than six months of imports. At the same time, you also mentioned the need for a broad-based democratisation process which includes the reduction of income gaps and educational gaps. My question is: Are these two objectives at odds? Is vibrant economic growth based in Bangkok at odds with the democratisation process that must take place in the countryside? Do we need to shift priorities to bring income distribution and rural development to the top of our agenda?

[Anan] My answer is yes. I hope that you are not asking me to accomplish all these objectives in the next four months. You know, we have had a democratic system for sixty years. We have existed as an independent state for nearly 800 years. Now these problems are not going to go away. They too exist even in a modern society.

[Correspondent] I have a follow-up question.

[Anan] I mean they are all relative. I am sorry, yes?

[Correspondent] Well, I am trying to just pinpoint your agenda, I mean, what you think is more important than another. It seems to me that Thailand has traded (?protocol retardation) for economic growth, 30 years of it, and are we at a point now that we have to be prepared for perhaps a slower growth with democratisation?

[Anan] No, I am all for high growth provided it does not fill up the inflation and the other related financial or fiscal issues. I believe in creating a large piece of cake, so that distribution of income or a more equitable distribution of income would be more easily handled. I don't believe in socialism.

[Correspondent] I don't mean socialism either. The question though is that we have had a very big piece of cake, and we have had it for a while. But it hasn't spread out from Bangkok.

[Anan] Everybody knows that.

[Correspondent] Right.

[Anan] I need not be told. I think we all know it.

[Correspondent] Right.

[Anan] Well now I'm pleased. How do you deal with the problem within the next four months? Definitely, our priorities are now on the rural areas, are at the provincial level, but they are not going to come about in four months' time or even a year's time. If you talk about the need to raise the level of education in the provinces, now that's going to take years. But a start has already been made. I may not live, you know, long enough to see the results, but a start has been made.

[Correspondent] I guess that is all we could hope for, is that you would set a stage for that to come about.

[FCCT president] Prime Minister, there is a request...

[Anan] [interupts] If I may have a last word....

[FCCT president] Yes, please.

[Anan] Sometimes when I get questions similar to the last question, I am often reminded that the mafia problem in Italy has been in existence for I don't know how many decades. They still have not been able to lick that problem. And even in the States, in New York State, you have this organized crime. There are problems which sometimes to find solutions we can only try to reduce the intensity of the problems. We can try to minimize. But questions like poverty, distribution of income—you live in any society, perhaps with the exception of Japan, or New Zealand, or Sweden, the Scandinavian countries—they all exist in other countries, yes, to a much less degree. But if you compare to the standard of living of those people, there are still poor countries in the States, there are still poor countries in Europe. So I think that whenever we look at the problems of our society, I am not trying to brush them aside. But sometimes you have a tendency not to put them in proper perspective. And if you don't put them in proper perspective, then you'd like me just to give up and say: Well, nothing can be done. I believe, I am convinced that something can be done. And it's being done everyday gradually, perhaps slowly, not to our liking. But if you compare our society in 1992, and I'm not being a politician in this matter, I would admit that the general well-being of the people as a whole has vastly improved in the past 30 years, irrespective of the flaws, irrespective of the shortcomings, irrespective of the self-made problems. This is a country which has something going. It may not take as fast as a Japanese society, or in some other societies, but it is a society which tries. We don't have too many people who would want, who would prepare to migrate to other countries. Even hundreds of thousands of Thais who decided for a period of their lifetime, maybe five years, ten years, twenty years time, they eventually come back. Now to me, that explains a lot about the nature and the quality of life in this land. I hope that you share my feeling. Thank you.

Vietnam

Another Joint U.S. POW, MIA Search Underway

BK0607123292 Hanoi Voice of Vietnam in English 1000 GMT 6 Jul 92

[Text] Another joint Vietnamese-U.S. search for prisoners of war and missing in action, the 18th undertaken so far, is underway. The month-long search which involved 52 American specialists is to close on July 20.

The searchers are making investigation and excavation in the provinces of Quang Binh, Quang Tri, and Phu Yen in Central Vietnam. They are also seeking information as well as investigating reports of live sighting in the provinces of Binh Dinh, Vinh Long, Can Tho, Lai Chau, and Ho Chi Minh City.

This is the second of the five searches planned for 1992 at the meeting in early March this year between Vietnamese Deputy Foreign Minister Le Mai and U.S. Assistant Secretary of State Richard Solomon.

U.S. Says Photograph of U.S. Prisoners Hoax

BK0407105692 Hanoi Voice of Vietnam in English 1000 GMT 4 Jul 92

[Text] The U.S. Defense Department on Thursday said: A highly-publicized photograph allegedly showing three Americans being held as prisoners of war in Indochina was a hoax.

Defense Department Spokesman (Peter Williams) said the picture was an altered version of a photograph of Soviet farmers published in the December 1989 Khmer-language magazine SOVIET UNION.

The flurry over the picture had contributed to the creation of a special U.S. Senate investigating committee on U.S. prisoners of war and Americans listed as missing in action.

Official on Joint Sino Relations, POW's, MIA's

BK0207154192 Hanoi VNA in English 1422 GMT 2 Jul 92

[Text] Hanoi VNA July 2—The spokeswoman for the Foreign Ministry today reaffirmed Vietnam's desire to together with China strictly carry on with the agreement reached between Vietnamese and Chinese leaders in Beijing in November 1991 namely to settle outstanding issues through negotiation and not to make the situation more complicated pending settlement.

At a regular press conference this afternoon, when asked if the agreement between China and the Crestone Oil Company of the United States has affected in any way the Sino-Vietnamese relations, Mrs. Ho The Lan, head of the Foreign Ministry information and press department, said:

"Our stand on this issue has been made clear in the Foreign Ministry statement on May 17. Today, I'd like to reaffirm Vietnam's sovereignty over the Tu Chinh island because this area completely lies within Vietnam's continental shelf". Mrs Ho The Lan further said Vietnam had proposed that China annul the contract it had signed with the Crestone Company.

Also at this press conference, Mrs. Ho The Lan informed the press of the 18th joint Vietnamese-US search for POW-MIA scheduled for June 20-July 20,1992.

Fifty two (52) American specialists take part in this search. Investigations and negotiations will be made in the provinces of Quang Binh, Quang Tri and Phu Yen in central Vietnam. The quest for information as well as investigations on reports of live sightings will be carried out in the provincesof Binh Dinh, Vinh Long, Can Tho, and Lai Chau and Ho Chi Minh City.

This is the 2nd of the 5 searches planned for 1992 as agreed upon at a meeting in early March this year between Vietnamese Deputy Foreign Minister Le Mai and US Assistant Secretary of State Richard Solomon.

Further on Relations With China, U.S.

BK0307113292 Hanoi Voice of Vietnam in English 1000 GMT 3 Jul 92

[Report on Thursday [2 July] Hanoi press conference held by Mrs. Ho The Lan, spokeswoman for the Vietnamese Foreign Ministry—Ho The Lan's statement is recorded in Vietnamese fading into English translation]

[Text] A spokeswoman for the Vietnamese Foreign Ministry said that an important new chapter has opened recently in the development of relations between Vietnam and ASEAN.

Speaking at a press conference in Hanoi on Thursday [2 July], Mrs. Ho The Lan dealt with the relationship between Vietnam and China, Vietnam and the United States, and Vietnam and countries in the former Soviet Union. Here is our report on the press conference:

The spokeswoman said that over the past six months, the development of bilateral relations between Vietnam and all ASEAN countries have attained good results. The important events in these relations will soon take place—The visit to Manila in late July by Vietnamese Foreign Minister Nguyen Manh Cam to officially sign the bilateral treaty of good will and cooperation among Southeast Asian nations. He will do so at the invitation of the chairman of the Standing Committee of ASEAN.

On Cambodia, Mrs. Ho The Lan said: Together with other signatories to the Paris peace agreement on Cambodia, Vietnam has always continued to ensure the strict implementation of the agreement. Vietnam respects the right to self-determination of the Cambodian people. She also said that Prince Sihanouk and Mr. Akashi, the head of UNTAC, highly appreciated Vietnam's attitude as reflected in their views in this field.

The Vietnamese spokeswoman also stressed that Vietnam and Laos have constantly renewed, consolidated, and strengthened their comprehensive cooperation in a spirit of mutual benefit and mutual assistance, making the cooperation effective and of high quality.

Mrs. Ho The Lan informed journalists that the process of normalizing relations with China is being carried out in the fields of transport and communication, post, commerce, economy, culture, and tourism, science, and technology, all of which have brought about concrete results.

In her opinion, the relations between Vietnam and European countries have a good prospect for development. Those countries have affirmed their continued consolidation and desire to strengthen their relations with Vietnam.

Vietnam is step-by-step developing strong ties with countries of the former Soviet Union such as Russia, Byelarus, the Ukraine, Uzbekistan, etc.

On the subject of U.S.-Vietnamese relations, Mrs. Ho The Lan said that though there has not been a turning point, contacts at different levels are maintained.

Vietnam acknowledged some positive steps taken by the United States, including the reopening of telecommunications links with Vietnam, lifting restrictions on non-governmental organizations' aid to Vietnam, and granting permission to private U.S. companies and organizations to export necessities to Vietnam. But she said that these moves are few as compared with requirements of both countries and with Vietnam's own efforts.

Negotiations on Spratly Dispute

BK0507065092 Hong Kong AFP in English 0630 GMT 3 Jul 92

[Text] Hanoi, July 5 (AFP) - Vietnam called Sunday for "peaceful negotiations" between governments with rival claims to the South China Sea, including the strategic Spratly islands.

No country has the right "to impose its own interests in the region," the Vietnamese Army daily QUAN DOI NHAN DAN said.

"Parties concerned do not have the right to resort to the use of force, but they must settle their problems through peaceful negotiations," it said.

Vietnam lays claim to the Paracel islands, now controlled by China, and to the Spratlys, also claimed in whole or in part by China, Taiwan, the Philippines, Malaysia, and Brunei.

An informal meeting on ways to reduce the danger of conflict in the South China Sea was held June 29 to July 2 in Yogyakarta, Indonesia.

During the meeting, the newspaper said, "one could see that the South China Sea region is a very sensitive area, having direct effects on peace and stability in Southeast Asia."

"Most countries which attended the meeting were unanimous in believing that the countries concerned should not carry out actions liable to worsen the situation which still has hidden dangers," it said.

China in February adopted a maritime law that proclaimed sovereignty over islands in the South China Sea and allowed for the use of force in case its claim was violated by other nations.

Beijing has also signed with a U.S. company an agreement to drill for oil from the Tu Chinh reef, which Vietnam regards as part of its continental plateau.

Members of the Association of Southeast Asian Nations (the Philippines, Indonesia, Thailand, Malaysia, Singapore and Brunei), plus China, Taiwan, Vietnam, and Laos, attended the Indonesian meeting.

Press Communique Issued

BK0307162792 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 3 Jul 92

[Press Communique of the SRV Foreign Ministry; date not given]

[Text] Exactly one year ago, the Seventh Congress of the Communist Party of Vietnam adopted an open-door policy with the intent of readily befriending all nations in the world community in the struggle for peace and development. The implementation of this policy, which has won widespread sympathy from various countries in the world community, is gradually creating a favorable environment for the cause of national development while contributing to regional peace and stability.

Various direct contacts and exchanges of views made in the spirit of open-mindedness, friendship, mutual understanding, and goodwill between Vietnamese leaders and the leaders of various ASEAN countries are creating favorable conditions for building relations of cooperation and mutual trust for the sake of each country's development and of Southeast Asia's collective prosperity. This has opened up an important new chapter in the history of relations between Vietnam and ASEAN countries. This has led to busy activities which we are witnessing in the relations between ASEAN countries and Vietnam in all domains.

The development of bilateral relations with all ASEAN countries has led to fine new results, namely Vietnamese Foreign Minister Nguyen Manh Cam will visit Manila in late July at the invitation of the chairman of the ASEAN Standing Committee to officially accept and sign the 1976 Bali Treaty of Friendship and Cooperation among Southeast Asian countries on the occasion of the 25th ASEAN Foreign Ministerial Conference.

It is certain that Vietnam will contribute positively to the forming of a multilateral mechanism among countries in the region on the basis of mutual respect, equality, and mutual benefit, thus contributing to ameliorating international relations in the region.

With Cambodia, as a signatory to the Paris peace accords on Cambodia of October 1991, together with other signatories to the peace accords, we have ensured and will be ensuring strict implementation of the accords. We have consistently respected the Cambodian people's right to self-determination and supported the national reconciliation policy for this country so the Cambodian people can have conditions to build a happy life in a peaceful country. Samdech Norodom Sihanouk, chairman of the SNC [Supreme National Council] and head of the state; and His Excellency Yasushi Akashi, the head of UNTAC [United Nations Transitional Authority in Cambodia] have on several occasions highly valued the correct attitude of Vietnam and its effective activities in this spirit.

Council of Ministers Chairman Vo Van Kiet's 2 January 1992 official friendship visit to the Lao People's Democratic Republic once again reasserted the increasingly renovated traditional relationship and consolidated the comprehensive cooperation between the two countries on the basis of attaching importance to the effect of quality, mutual benefit, giving preferential treatment to each other in conformity with their special relationship and in the interest of development of the two countries.

In relations with China, the process of normalizing relations between the two countries on the basis of the five principles of peaceful coexistence without affecting each country's relations with a third country are being carried out in the fields of communication, transportation and post, commerce, economy, culture, tourism, science, and technology, all of which have brought about concrete results, thus meeting the aspirations of the two peoples and benefiting each country's economic development.

Vietnam has always wished to broaden its relations with countries in other regions. During Foreign Minister Nguyen Manh Cam's visit to France, Poland, Hungary, Belgium, Britain, Germany, and the Netherlands, these countries affirmed their desire to continue to consolidate and develop their relations with Vietnam. The understanding of these countries and their goodwill attitude have been manifested by various concrete and diverse actions.

With the countries of the former Soviet Union, Vietnam affirms its respect for the cooperation and friendly traditional relations with the peoples of these countries. And in this spirit, Vietnam is gradually developing its relations with the Russian Federation, Byelarus, Ukraine, and Uzbekistan. The relations between Vietnam and these countries are promising and are built on a new basis of mutual benefit compatible with the common trend in the world and with the open-door foreign policy of Vietnam.

While strengthening our existing relations, we concern ourselves with expanding our relations with those countries with which we do not have relations or about which we do not know much.

In late April to early May 1992, Deputy Foreign Minister Nguyen Dy Nien, special emissary of the chairman of the Council of State, visited a number of Gulf countries. On this occasion, Vietnam and the Kingdom of Oman established diplomatic ties.

With regard to relations with the United States, although there has not been a turning point at which we can normalize diplomatic relations for the benefit of the two countries, contacts at various levels have been maintained. The U.S. side has on several occasions highly valued Vietnam's cooperation in implementing various agreements reached between the two countries, in solving humanitarian issues, especially the MIA issue. We have also noted some positive steps taken by the United States such as permitting the opening of direct telecommunications links with Vietnam, lifting restrictions on nongovernmental organizations' aid to Vietnam, and granting permission for U.S. private corporations and organizations to export necessities to Vietnam, although these moves are still few, given the demands of the two countries.

Vietnamese-Americans Expelled for Violating Law

BK0407073092 Hanoi VNA in English 0603 GMT 4 Jul 92

[Text] Hanoi VNA July 4—The Ministry of Interior yesterday decided to expel Robert Quang Lam (alias Lam Van Quang) and To Giang Nam (alias Pham Giang To), both of US nationality, from Vietnamese territory within 24 hours from 7 a.m. July 4, 1992. The two had entered Vietnam many times and were lately taken into temporary custody by the Vietnamese security service. They have pleaded guilty to all the charges of violating Vietnamese law and asked for pardon.

Khmer Rouge Uncooperative Attitude Criticized

BK0607141092 Hanoi Voice of Vietnam in English 1000 GMT 6 Jul 92

[Station Commentary]

[Text] The Khieu Samphan faction continued to refuse to cooperate in the peace process in Cambodia. Our commentator has this to say: While the three Khmer factions are actively cooperating with the U.N. Transitional Authority in Cambodia [UNTAC] in the second phase of the peace process, the Khieu Samphan faction continued to hang on with its uncooperative stand.

A spokesman for the UNTAC said during the meeting of the Supreme National Council of Cambodia [SNC], Mr. Akashi, the UNTAC chief, met Khieu Samphan on two occasions to persuade his faction to join in the peace process, but Mr. Akashi got nowhere. Khieu Samphan set out conditions contrary to the Paris peace accord such as the dissolution of the Phnom Penh government structure as prerequisite for the Khmer Rouge to get back to the peace process.

Khieu Samphan also demanded that that there should not be a government in the transitional period. According to him, there are only the Supreme National Council of Cambodia and UNTAC an existing administrative structure. All these requests run counter to what has been concluded in the Paris Agreement.

Meanwhile, the State of Cambodia has asked local administration officers to facilitate UNTAC officials and civil police to fulfill their work.

Khmer Rouge 'Harassment' Causes Crop Failure

BK0607141392 Phnom Penh SPK in English 1139 GMT 6 Jul 92

[Text] Phnom Penh SPK July 6—This year's rice cultivation target of 2.0 million hectares might not be obtained because of the harassment by the Khmer Rouge in some parts of the country and the irregular rainfall since the beginning of the rainy season, said an official of the Agronomy Department under the Ministry of Agriculture.

Tri Meng, deputy head of the department, said cultivation pace has been extremely slow with only 48,200 hectares of rice sown since the start of this year's season. More than half of the culivation target were planted with deep water rice, he said, adding that Battambang Province sowed such rice variety on the largest area compared with other provinces.

Large part of the targeted area was specified for the cultivation of deep water rice, which has to be grown in time in early season from April to July but little rain together with the harassment by the Khmer Rouge has been the main obstacle in the cultivation drive, Tri Meng said.

Tens of hectares of deep water rice and 8,000 ha of subsidiary food crops wilted due to insufficient rain, he said.

Besides, he added, the lack of seed, especially deep water rice seed, was another reason for the cultivation slackness.

The government and international organizations here have provided the farmers with 3,000 tons of rice seed and 7 million riels to meet their need of 7,000 tons of rice seed for the cultivation, Tri Meng said.

He predicted that although there would be good rainfall from now on the farmers could not obtain the target, and rice growing area would be the same as last year.

Rice cultivated area last year was more than 1.77 million hectares out of the planned 1.94 million hectares and the total rice production was 2.03 million tons, according to Tri Meng.

Border Guards 'Evicted' Farmers of Disputed Zone

BK0407112292 Hong Kong AFP in English 0906 GMT 4 Jul 92

[Text] Hanoi, July 4 (AFP)—Chinese border guards evicted a group of Vietnamese farmers from a disputed border zone last month and burned down their huts, an informed Vietnamese source said Saturday.

Hanoi made no official protest over the incident that occurred in early June near the border of Vietnam's Cao Bang and China's Guangxi provinces, but it did informally ask China to avoid a repeat, he said.

"We're not looking for a confrontation with China. We have a lot of disagreements over the land border, but we want to settle them through peaceful negotiations," the source said.

Tension has risen between Vietnam and China since Beijing announced in May that it had leased to a U.S. company an oil exploration concession in between the disputed Spratly archipelago and the Vietnamese coast.

But the source, who has close ties to political and military leaders in Hanoi, denied a report that the tension had spilled over into an armed clash between Vietnamese and Chinese border guards.

"No shots have been fired by border guards on either side since normalization (of diplomatic relations)," agreed by the Chinese and Vietnamese communist party chiefs at a November summit in Beijing, he said.

Hanoi meanwhile reported a surge in two-way trade between Vietnam and China following normalization.

Goods worth 62.5 million dollars flowed through Lang Son, the main border crossing, in the four months following the November 1991 summit, compared with 46 million dollars' worth in the 10 preceding months, the weekly State Price Commission bulletin said Saturday.

Traders continue to shift goods between Chinese and Vietnamese vehicles at the border, however, since disputes over the exact location of the the frontier have kept the main trucking road and rail line running through Lang Son closed to cross-border traffic, according to recent visitors to the northeastern town.

Vo Chi Cong Interviewed on Election Preparations

BK0307143192 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 22 Jun 92

[Report on a 22 June QUAN DOI NHAN DAN article by Vo Chi Cong, chairman of the Council of State and chairman of the Electoral Committee for the Ninth National Assembly, which is a transcription of a statement by Vo Chi Cong in an interview with QUAN DOI NHAN DAN on "some matters concerning the election"; place and date of interview not given—read by announcer]

[Text] Dealing with the preparations for the National Assembly election since the Electoral Council was found by the Council of State on 17 April and with continuing activities to be carried out, Chairman Vo Chi Cong said:

In general, all aspects of preparations by various localities for the election of the Ninth National Assembly have been carried out as scheduled. From now until election day, localities should concentrate on fulfilling the following tasks:

—Continue to step up propaganda about the election in a widespread and intensive fashion among the people and within the armed forces.

—Post the list and profiles of candidates at every electoral unit.

—Arrange for those candidates already listed to meet their electorate. This is to help voters exchange views on the profiles of their candidates in preparation for the selection of those candidates whom they think are deserving.

—Complete the compilation and posting of the lists of candidates.

—Promptly examine and tackle all the complaints and denuncications raised by citizens, if there are any, about the compilation of the lists of voters, about National Assembly candidates, and about those organizations in charge of the election.

—Satisfactorily prepare all conditions and material bases needed to serve electoral work, including preparations for ensuring that all balloting booths are arranged in accordance with stipulations.

Touching on the excercise of citizens' democratic freedoms as well as on what candidates need to know in this National Assembly election, Chairman Vo Chi Cong emphatically said:

Voters nationwide are all fully aware of their common duty to elect a National Assembly worthy of being the highest state organ of power capable of fulfilling its mandate as stipulated by the Constitution and the law, actively contributing to strengthening the efficiency of state administration, ensuring the people's right as the master of the state, and successfuly implementing the resolution of the Seventh Party Congress.

The Council of State has fixed the total number of deputies to the Ninth National Assembly to be 395 persons. This decision has originated from a requirement to reduce the number of deputies while improving their quality. If voters nationwide could elect 395 National Assembly deputies of the standards stipulated by the law, we can firmly assure that the working effectiveness of the forthcoming National Assembly will be strengthened. Therefore, from now until election day, voters should be firmly aware of the standards for National Assembly deputies stipulated in Article 3 of the law governing the election of the National Assembly as follows:

National Assembly deputies must be those who are loyal to the socialist Vietnamese fatherland, who are struggling to carry out the renovation undertaking to make the people prosperous and the country powerful, who are knowledgeable and able to implement their duties as National Assembly deputies, who can participate in deciding important issues of the country, who have good qualities and ethics, who comply in an exemplary manner with the law, and who are trusted by the people.

Voters from urban to rural areas should seek to understand and carefully exchange their views on each candidate in their electoral units. They should jointly discuss, examine, select, and vote for well-deserved candidates so they can represent the local people as well as the people nationwide in the struggle to eliminate poverty and backwardness, firmly defend national independence and sovereignty, develop revolutionary gains, and make the people prosperous and the country powerful.

Further on List of Assembly Candidates

BK0307131792 Hanoi NHAN DAN in Vietnamese 24 Jun 92, pp 2-4

[Excerpt from list of candidates running as deputies to Ninth National Assembly election in each electoral unit throughout the country]

[Text] **Quang Nam-Da Nang Province**

The island district of Hoang Sa and Da Nang City form the first electoral unit and will elect two deputies from the following candidates:

1. Ngo Van Dung, food processing engineer and vice chairman of Da Nang City People's Committee;
2. Tran Quang Dung, machinery production engineer, director of Da Nang Beer and Soft Drinks Plant, and deputy to the Eighth National Assembly;
3. Nguyen Thi Duc Lien, organic chemistry engineer and director of Da Nang Plasticware Plant; and
4. Le Xuan Trinh of the National College of Economics and first vice chairman of the State Planning Commission.

The districts of Dien Ban, Duy Xuyen, Que Son, and Hiep Duc and the district capital of Hoi An form the second electoral unit and will elect three deputies from the following candidates:

1. Nguyen Thi Binh, chairwoman of Vietnam's Peace, Solidarity, and Friendship Organizations and deputy to the Eighth National Assembly;
2. Huynh Thi Huong of the College of Pedagogy, head of the Hoi An City Education and Vocational Training Service;
3. Nguyen Hanh Kiem, lieutenant colonel and deputy director of the public security service;
4. Ha Thi Thu Suong of the College of Pedagogy, deputy director of the education and vocational training service and deputy to the Eighth National Assembly; and
5. Nguyen Van Tri, colonel and commander of the provincial military command.

The districts of Thang Binh, Nui Thanh, and Tien Phuoc and the district capital of Tam Ky form the third electoral unit and will elect three deputies from the following candidates:

1. Tran Dong Chu, head of the joint control office of the provincial people's organ of control;
2. Le Quoc Khanh of the College of Building, chairman of the provincial people's council;
3. Huynh Nghia of the College of Law, deputy chief justice of the provincial people's tribunal; and
4. Hoang Minh Thang, chairman of the provisional council of nonstate business organizations and deputy to the Eighth National Assembly.

The districts of Hoa Vang, Dai Loc, Hien, Giang, Phuoc Son, and Tra My form the fourth electoral unit and will elect three deputies from the following candidates:

1. Ho Van Dieu of the Mo Nong ethnic group, chairman of the provincial nationalities committee and deputy to the Eighth National Assembly;
2. Nguyen Don, lieutenant general and vice president of the Vietnam War Veterans Association;
3. Nguyen Dang Lam, building engineer and vice chairman of the provincial people's committee;
4. Nguyen Ba Thanh, economic engineer, member of the provincial people's committee, and director of the agricultural service; and
5. Le Ca Vinh of the Ca Tu ethnic group, member of the VFF [Vietnam Fatherland Front] Central Committee, member of the provincial fatherland front committee, and member of the Hien District fatherland front committee.

Binh Dinh Province

The districts of Tuy Phuoc, Van Canh, and Tay Son and Quy Nhon City form the first electoral unit and will elect three deputies from the following candidates:

1. Vo Van Luoc, holder of an M.S. degreee in farmland irrigation and chairman of the provincial science and technology commission;
2. Tran Van Nhan, electrical engineer, chairman of the provincial people's committee, and deputy to the Eighth National Assembly;
3. Tran Manh Sang, deputy director of the Quy Nhon Refrigeration Enterprise; and
4. Tran Thi Le Thu of the College of Letters, secretary general of the provincial Culture and Arts Association.

The districts of An Nhon, Phu Cat, Phu My, and Vinh Thanh form the second electoral unit and will elect three deputies from the following candidates:

1. Dang Huu, professor, chairman of the State Science and Technology Commission, and deputy to the Eighth National Assembly;
2. Doan Van Teo of the Cham ethnic group and the College of Medicine, chairman of the provincial nationalities committee;
3. To Tu Thanh, holder of an M.A. degree in economics and vice chairman of the provincial people's committee; and
4. Mai Thi Thanh, holder of an M.A. degree in economics and principal of the provincial school of economic administration.

The districts of Hoai Nhon, Hoai An, and An Lao form the third electoral unit and will elect two deputies from the following candidates:

1. Le Van An, major general, deputy commander, and chief of the Fifth Military Region Staff;
2. Pham Ba, electrical engineer and director of the industrial service; and
3. Hoang Quang Dao, president of the provincial labor union federation.

Quang Ngai Province

The districts of Binh Son, Tra Bong, Son Tinh, Son Ha, Nghia Hanh, and Minh Long and the district capital of Quang Ngai form the first electoral unit and will elect three deputies from the following candidates:

1. Nguyen Van Duoc, colonel, commander of the provincial military command, and military hero;
2. Tran Anh Kiet of the College of Economic Planning, vice chairman of the provincial people's committee;
3. Dinh Tan Phuoc of the College of Pedagogy, deputy principal of the Le Khiet General Education School;
4. Bui Thanh Quang of the College of Commerce, secretary of the provincial people's council; and
5. Dinh Uong of the H're ethnic group and the College of Pedagogy, member of the Ba To District party committee standing body.

The districts of Tu Nghia, Mo Duc, Duc Pho, and Ba To form the second electoral unit and will elect two deputies from the following candidates:

1. Nguyen Kim Hieu, holder of an M.S. degree in electrial engineering and deputy chairman of the provincial planning committee;
2. Tran Thi Nhan, horticultural engineer and deputy director of the agro-forestry service; and
3. Do Quang Thang, secretary of the party Central Committee and head of the party Central Committee Control Department.

Phu Yen Province

The Districts of Tuy Hoa, Song Hinh, and Son Hoa and Tuy Hoa town form the first electoral unit and will elect two deputies from the following candidates:

1. Tran Thi Minh Chanh, chairwoman of the provincial office of the Vietnam Women's Federation.
2. Luong Cong Doan, deputy secretary of the provincial party committee.
3. Tran Hanh, hydrologist, deputy director of the Water Reservation Department, and director of the Dong Cam Farmland Irrigation Company.
4. Dao Tan Loc, agronomist, head of the provincial Science and Technology Committee, and deputy of the Eighth National Assembly.

The districts of Tuy An, Song Cau, and Dong Xuan form the second electoral unit and will elect two deputies from the following candidates:

1. Mang Cu of the Ba-Na ethnic group, medical doctor, and deputy director of the provincial hospital.
2. Ha Dang, director of the Ideology and Cultural Department of the party Central Committee and deputy of the Eighth National Assembly.
3. Nguyen Hoang Hanh, bachelor of science and secretary of the provincial people's committee.

Khanh Hoa Province

The districts of Van Ninh and Ninh Hoa and Nha Trang Town form the first electoral unit and will elect two deputies from the following candidates:

1. Tran Minh Duan of the College of Aquaculture, head of the provincial Propaganda and Education Department.
2. Nguyen Thiet Hung, doctoral candidate in industry, vice chairman of the provincial people's committee, and deputy of the Eighth National Assembly.
3. Vo Lam Phi of the University of Economics and head of the province office of the Vietnam Confederation of Trade Unions.

The districts of Dien Khanh, Khanh Vinh, Cam Ranh, Khanh Son, and Truong Sa form the second electoral unit and will elect one deputy from the following candidates:

1. Nguyen Thi No of the College of Finance, director of the Finance and Pricing Department and deputy of the Eighth National Assembly.
2. Nguyen Thi Nhu Phuong of the University of Economic Management and chairwoman of the provincial office and executive member of the central office of the Vietnam Women's Federation.

Ninh Thuan Province

The province has one electoral unit and will elect three deputies from the following candidates:

1. Nguyen Chi Ben of the College of Finance and chairman of the provincial people's committee.
2. Cha-Male Dieu of the rac-lay ethnic group, secretary of the Ninh Son District party committee.
3. Nguyen Trung Hau of the University of Pedagogy, secretary of the provincial party committee, and deputy of the Eighth National Assembly.
4. Le Dinh So of the University of Economics and director of the Finance and Pricing Department.
5. Truong Nghiep Vu, chairman of the provincial office of the Vietnam Fatherland Front and deputy of the Eighth National Assembly.

Binh Thuan Province

The districts of Ham Thuan Bac, Bac Binh, Tuy Phong, and Phu Quy form the first electoral unit and will elect two deputies from the following candidates:

1. Ma Dien Cu of the Cham ethnic group, deputy director of the mass mobilization department.
2. Bui Tan Phuc, medical doctor, deputy head of the provincial Health Department.
3. Le Thi Phuong, agronomist and director of the Agriculture and Forestry Department.
4. Nguyen Van Thuan, doctoral candidate in biology, chairman of the provincial people's committee.

The districts of Ham Thuan Nam, Ham Tan, Duc Linh, and Tanh Linh and Phan Thiet Town form the second electoral unit and will elect three deputies from the following candidates:

1. Tran Thi Thai Hoa of the Polytechnic College, executive member of the provincial office of the Vietnam Women's Federation.
2. Nguyen Khuong of the College of Aquaculture and director of the Aquaculture Department.
3. Le Thi Thanh Lien of the University of Economics, standing member of the province's Ho Chi Minh City Communist Youth Union, and member of the Mother and Children Care Committee.
4. Hoang Bich Son, director of the Overseas Vietnamese Department, member of the Council of State, and deputy of the Eighth National Assembly.
5. Dinh Trung, standing member and head of the Organization Department of the provincial party committee.

Fiji

Minister on Australia, New Zealand Defense Ties

BK0207072092 Melbourne Radio Australia in English 0500 GMT 2 Jul 92

[Text] Fiji says it is discussing resumption of military aid from Australia and New Zealand. The foreign minister, Filipe Bole, told parliament that the discussions with Australia had centered on the need for security and intelligence contacts to be restored on an informal basis. New Zealand, he said, had sought to reestablish maritime surveillance cooperation.

Since New Zealand and Australia suspended defense ties with Fiji after the 1987 coups, France has been providing Fiji with maritime surveillance of its exclusive economic zone.

Mr. Bole said Fiji would consolidate links with Australia, the country's major trading partner along with New Zealand. He also foreshadowed the opening of a number of new consular-general offices in Australia saying expansion was also being considered for New Zealand.

Vanuatu

Australian Official Granted Extra Day To Depart

BK0407084892 Melbourne Radio Australia in English 0800 GMT 4 Jul 92

[Text] Australia's acting high commissioner in Vanuatu, James Pearson, has been given a one day extension of an order by the Vanuatu Government for him to leave the country. Mr. Pearson was yesterday called to leave Vanuatu within 24 hours after the government claimed he interfered in the country's internal affairs.

The Vanuatu Government twice accused Mr. Pearson of interference after he told Deputy Prime Minister Sethy Regenvanu that Australia was concerned that an amendment to the law controlling business licenses could effect the development of Vanuatu's economy and Australia's aid to Vanuatu. Under the amendment, the finance minister can refuse or revoke a business license without giving a reason.

Vanuatu's president has refused to sign the amendment into law and has referred it and two other bills to the Supreme Court.

Expelled Diplomat Leaves 5 Jul

BK0507110292 Hong Kong AFP in English 1046 GMT 5 Jul 92

[Text] Port Vila, July 5 (AFP)—Australian diplomat James Pearson left Port Vila late Sunday on a regular Air Vanuatu flight to Brisbane.

James Pearson, who was declared persona non grata by the Vanuatu Government Friday for alleged "interference" in the small island state's internal affairs, received a last farewell from some 50 friends from the Australian diplomatic and business community.

No government official was there, but a lot of Vanuatu acquaintances had also come to the airport to greet the Pearsons and their two children some of them moved to tears, as was Mrs. Pearson.

Australian High Commissioner David Ambrose, just back from Australia Saturday, was also there.

"It might take some time, but the position will be renewed", he told AFP.

Ambrose, like Pearson earlier did, said the matter would be discussed between top Vanuatu and Australian officials on the sidelines of the Forum of South Pacific Countries due to start next week in Honiara, Solomon Islands.

Australian Prime Minister Paul Keating and Foreign Minister Sir Gareth Evans will be there to represent Australia, while Vanuatu Prime Minister Maxime Carlot and Foreign Minister Serge Vohor, who gave the expulsion order, will represent Vanuatu.

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